

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB573

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: February 08, 2013

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 573 Changes the provisions relating to an adjustment to income for certain capital gains and extraordinary dividends held by an Employee Stock Ownership Plan (ESOP)

Nebraska Statute 77-2715.09 - Provides for capital gains exclusion for stock associated with companies doing business in Nebraska with more than five shareholders

Nebraska does not have a definition of the number of shareholders within an ESOP trust. Because of this, Nebraska has to rely upon the Federal definition of shareholders within an ESOP trust which says number of shareholders within an ESOP trust equals one shareholder. Federal law does permit states to establish their own definition and that is what LB 573 is attempting to do.

Principal Introducer: _____

Senator Burke Harr