

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB626

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 626 eliminates an income tax reduction for extraordinary dividends and certain capital gains and repeals sections 77-2715.08 and 77-2715.09.

The Special Capital Gains Election was a financial incentive given to Nebraska's business community in 1987 through LB 775. This exemption was intended to entice highly compensated officers and employees to remain in and relocate to Nebraska, and to protect business owners from paying any tax on the increased value of the stock in their company if the business was sold.

The Special Capital Gains Election has cost the state about \$30 million per year on average since 1998 for a total of approximately \$450 million.

Principal Introducer: _____

Senator Danielle Conrad