

SENATOR NEWELL: The original bill did, though, is that correct?

SENATOR LABEDZ: No sir, it did not.

SENATOR NEWELL: What did the original....

SENATOR LABEDZ: Well it did what the committee amendments... But the bill as I....

SENATOR NEWELL: Well what is your bill? You're striking.... Let me work on my time and I'll explain what I think it does, okay. Then you can get up too and explain. Basically what the Labeledz amendment does is strikes certain (machine malfunction) exemptions that were allowed for before, like police pensions and so forth. That is correct. Now we're just allowing for exemptions like railroad retirement and nontaxable income, income from welfare, and those kinds of things. Those will be exempted and, therefore, the income levels will have to be lower for the rest of the people because of this sort of proposal. We're moving from \$30 to \$25 thousand on the assessed valuation. The homestead exemption, and I'd like to explain this to the members of the body that are listening, the present homestead exemption is aimed at the size of your home, not whether you need the relief or not. It's aimed at how big a home you live in. So what the Labeledz amendment does is strike a \$30,000 home, move it to \$25,000, and makes that the primary consideration for exemption. What that does is, in those areas where they've reassessed, revalued, and it's higher and so forth, those homes that used to be assessed at \$15,000 are now assessed at \$30,000. They're going to get \$5,000 less of assessed valuation than they would have under the original proposal. Therefore, it's going to cut out a number of people after the re-evaluation. These amendments, basically, put the bill back similar to what we originally had under the old homestead exemption. I just want to make that clear. Thank you.

SENATOR SAVAGE: Chair recognizes Senator Murphy.

SENATOR MURPHY: Senator Labeledz, do I understand now that all pension income will be exempt from consideration?

SENATOR LABEDZ: Oh, no sir. That was the original LB 407. This amendment, that we just are discussing now, strikes that portion of LB 407 out. My first intention was to put people like the policemen and firemen, that were not under social security but did receive a pension when they retired at the age of 65 or 62, whenever. Their entire pension is taxable. But, in some cases, they don't have any social security. I have taken that out of the bill now. So my bill is exactly the way the homestead law is now. What I'm trying to do is just two things: increase the valuation, and increase the income limitations. Other than that the rules remain the same on the Homestead Exemption Act, as they are now and as they have been.

SENATOR MURPHY: Then the references to the income as reported, to our friends in the Internal Revenue Service, is completely out of the bill, including tax exempts and pension incomes?

SENATOR LABEDZ: I don't quite understand what you mean, Senator Murphy. The homestead exemption is based on the federal adjusted gross income, as shown on the federal return. That is the way it has been.