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overall cost to Nebraskans on a state income tax increase. Second, income tax generates revenues from those best able to bear the additional cost, but especially considering the benefits, the recent federal tax cut. Any state income tax increase will be partially offset by a generous federal deduction, and I passed out a sheet that shows that, up to one-third in some cases for taxpayers who itemize deductions on their federal taxes. The federal government, in effect, would be subsidizing part of the solution to Nebraska's budget crisis, if the solution includes income tax. In contrast, sales taxes are not deductible on the federal taxes. Therefore, the cost increase to the sales tax rates would be borne completely by Nebraskans. Income tax rates also have...are less burden on Nebraska because those who pay less...who earn less pay less, and while those who earn more pay more. For example, 60 percent of Nebraska families with income below \$42,000 pay about 10 percent of their income in net state and local taxes after federal deduction. As income rises, the net tax burden decreases to 6.4 for the top 1 percent group, those with incomes above \$299,000. These two...these top income families also benefit the most from the economic growth of the 1990s. Income for the wealthiest 20 percent of Nebraska rose 22 percent over the decade, while those of the middle income families rose only 14 percent. The poorest families' income rose even less at 6 percent. On the sheet that I passed out to you, it shows that the lowest 20 percent was less than 17 percent (sic--\$17,000) income, after their total taxes and offset and so forth, pays 10.2 percent in taxes; where the top, with everything put in, top people pay, top 1 percent pay, 6.4 percent. So I think this is a fair tax, the most fair tax that I think we can...that we should be considering as part of the...as part of the revenue package because if you make...if you earn the money, you pay the tax. So with that, I would ask for questions, comments, and so forth, because it is a new tax beyond what we did with the previous bill. So I would ask for your comments and words, hopefully support of this measure.

SPEAKER BROMM: Thank you, Senator Hartnett. That was the opening. Senator Hartnett, your light is next. Do you need additional time? He waives. Senator Chambers.