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LB 596

Nebraska taxpayers where they are with respect to our tax code, even though they will get the multibillion-dollar benefits of the federal tax cuts. We will also pass through entities like partnerships and limited liability companies. They are to distribute the add-back in the same way that income is distributed. So we have rules for them. Multistate corporations are to apportion the add-back to Nebraska in the same way that income is apportioned. So we give clear rules for that. This is to recapture for Nebraska any tax cuts that may have been enacted by Congress this year. There is a third tax cut as well, and that's in the marriage penalty. The bill would also amend Section 77-2716.01 to place the current federal standard deduction in the statute, and provide that it shall be adjusted annually beginning 2003. Now, that's what the bill was originally with. But there is a committee amendment to that score. The adjustment method is to...as provided by Section 151 of the Internal Revenue Code of 1986. This would be no change in anyone's tax liability. But if Congress were to act to increase the married filing jointly standard deduction to reduce the so-called marriage penalty, Nebraska would not automatically follow that policy. That's the way the bill was introduced. In fact, there will be a slight amendment to that in the committee amendments. So what we do with the marriage penalty provision is this. We say, the current standard deduction that you're getting, you continue to get. In other words, we keep people where they are now with respect to the impact of the federal tax cuts, which are in the offing. This is written as best we can, given the fact that the federal tax code has not now been changed. But I would ask for the advancement of LB 596, and my guess is that we'll go immediately to the committee amendments.

**SPEAKER BROMM:** Thank you, Senator Landis. You've heard the opening. We'll now go to the committee amendments. Mr. Clerk.

**CLERK:** Revenue Committee amendments, Mr. President. AM1977. (Legislative Journal page 1880.)

**SPEAKER BROMM:** Senator Landis to open on the committee amendments.

**SENATOR LANDIS:** Thank you. The accelerated depreciation is