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FLOOR DEBATE

January 15, 2004 LB 355, 596

PRESIDENT HEINEMAN: It is withdrawn.

CLERK: Mr. President, Senator Landis would move to amend with AM2162. (Legislative Journal page 131.)

PRESIDENT HEINEMAN: The Chair recognizes Senator Landis.

SENATOR LANDIS: Thank you, Mr. Lieutenant Governor, members of the Legislature. AM2162 finishes some business from last year. The business that we're going to finish has to do with conforming Nebraska tax code to the federal tax code. It is not the one-liner that you see for LB 355. The original underlying bill was introduced by the Revenue Committee on behalf of the Revenue Department. It had to do with holding...with withholding from nonresident corporate directors and the directors' fees that were earned in this state. The inability for us to find a workable change to what we have on the books now prompted us to drop that agenda and ask for this amendment, AM2162. George brought this to me because the Revenue Department caught this over the summer. At the end of last year, we passed LB 596, which was to counteract the impact of federal tax cuts and the impact that they would have on our state revenue and our tax base here. But one of the things that we did was to allow the new federal standard deductions to apply with respect to our state tax code. So we accepted the new standard deductions, which were increases, for single, married, head of households, the standard forms. In doing the drafting of that amendment, we did not catch that there are a couple of other areas, a couple of other kinds of standard deductions which we did not pick up. Most specifically, this amendment will impact those who are either elderly or blind, because it was their standard deductions that we missed when we raised the standard deductions last year. If you were 65 and older, or blind, you received an additional \$1,150 standard deduction, and if you were single or a head of household, and \$950 if you were married. Also, minors with only unearned income received only a \$750 standard deduction, not the full standard deduction. So these two variations from the standard deduction, the minor who makes only unearned income, and the elderly and the blind, they're variations from the standard deduction. If we don't