

E & R AMENDMENTS TO LB 542

Introduced by Enrollment and Review Committee: Flood, 19,  
Chairperson

1           1. Strike the original sections and all amendments  
2 thereto and insert the following new sections:

3           Section 1. The Legislature finds that there are  
4 significant issues relating to tax policy that need to be reviewed  
5 periodically. The Legislature also finds that a tax policy reform  
6 commission which is responsible for studying Nebraska's tax  
7 structure, reviewing implications for the future, ensuring the  
8 retention of institutional knowledge about Nebraska's tax policy,  
9 and providing recommendations for sound tax policy for the future  
10 is essential to the long-term growth of the state's economy and the  
11 survival of the state's public institutions.

12           Sec. 2. The Tax Policy Reform Commission is created. The  
13 commission shall have sixteen members appointed as follows:

14           (1) Eight members of the Legislature appointed by the  
15 Executive Board of the Legislative Council;

16           (2) One economist appointed by the Governor;

17           (3) One representative of production agriculture  
18 appointed by the Governor;

19           (4) One representative of industry and manufacturing  
20 appointed by the Governor;

21           (5) One representative of the labor sector appointed by  
22 the Executive Board of the Legislative Council;

23           (6) One representative of the telecommunications sector

1 appointed by the Governor;

2 (7) One representative of the low-income sector appointed  
3 by the Executive Board of the Legislative Council;

4 (8) The Director of Economic Development; and

5 (9) The Tax Commissioner.

6 Sec. 3. The Tax Policy Reform Commission shall elect  
7 a chairperson from among its members. The commission shall meet  
8 quarterly or more often if the chairperson determines additional  
9 meetings are necessary to accomplish the objectives established in  
10 this act giving consideration to the funds appropriated. Members  
11 shall be reimbursed for their actual and necessary expenses as  
12 provided in sections 81-1174 to 81-1176.

13 Sec. 4. The Tax Policy Reform Commission shall:

14 (1) Evaluate current Nebraska tax policies and how  
15 they relate to generally recognized tax policies of adequacy,  
16 equity, economic competitiveness, simplicity, and accountability  
17 and recommend improvements;

18 (2) Examine household tax burdens and business tax  
19 burdens as compared to the United States as a whole and nearby  
20 states and recommend improvements;

21 (3) Examine nominal tax rates as compared to the United  
22 States as a whole and nearby states and recommend improvements;

23 (4) Evaluate current business tax incentive programs and  
24 recommend improvements;

25 (5) Examine the impact of changes in the fundamentals of  
26 the Nebraska economy on the revenue adequacy and stability for the  
27 state and recommend improvements;

1           (6) Examine demographic changes taking place in the  
2 state, anticipate the effects such changes have on the revenue  
3 adequacy and stability for the state in the future, and recommend  
4 improvements;

5           (7) Examine previous studies, including the Comprehensive  
6 Tax Study done by Syracuse University from 1986 to 1988, and  
7 ascertain whether any recommendations from such studies can be  
8 utilized in the commission's research; and

9           (8) Issue a preliminary report to the Executive Board of  
10 the Legislative Council, the Revenue Committee of the Legislature,  
11 and the Governor by December 15, 2006, containing the commission's  
12 preliminary findings and recommendations, and issue a final report  
13 to the executive board, the committee, and the Governor by November  
14 15, 2007, containing any recommendations for legislation to reform  
15 tax policy and, if appropriate, draft proposed language for  
16 legislation.

17           Sec. 5. The Tax Policy Reform Commission may hold  
18 hearings throughout the state for purposes of receiving input  
19 from the public on the issues identified in section 4 of this act.

20           Sec. 6. (1) Employees of the Department of Revenue, the  
21 Department of Property Assessment and Taxation, and the Legislative  
22 Council shall be available to the Tax Policy Reform Commission  
23 to assist it in carrying out its work. The commission shall  
24 contract with a meeting facilitator and may contract with experts  
25 from any institution of postsecondary education in the state to  
26 provide assistance, specific research, research or policy reports,  
27 or presentations to carry out the purposes of section 4 of this

1 act, within the constraints of the appropriation provided.

2 (2) Funding for the commission shall be appropriated to  
3 the Legislative Council and shall not exceed one hundred thousand  
4 dollars.

5 Sec. 7. This act terminates on December 31, 2007.

6 Sec. 8. Since an emergency exists, this act takes effect  
7 when passed and approved according to law.

8 2. On page 1, line 2, after the second semicolon insert  
9 "to provide a termination date;".