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LB 312

SENATOR CUDABACK: Senator Landis, you're recognized to open on the first component of the divided committee amendments.

SENATOR LANDIS: Thank you. I've done this because it will allow us to focus our concentration on various parts of this, because there are a number of moving parts. And the first one is the most controversial. It's the one that gets us into the mix. It's the tax incentive package. It...if you were going to call some portion of this bill "son of LB 775," the first one is "son of LB 775." The second portion would be the sales tax exemption for manufacturing machinery. The third would be the change in LB 608, our rural economic development package, to make that more available, and to make it also available for "teleworkers" who live out of their home but are connected by a system. Those kinds of changes are in three. And number four is the research and development, and the microenterprise piece. But it segments our perspective on what these issues are, and for those who want to focus on the LB 775 issues, the first one contains essentially those issues. Now, let me see if I can make an attempt to explain the pieces that are in this section. The first change is what I've told you before, and that's disclosure. Let me tell you what the disclosure provision is. It says, project by project, you tell us, you know, where your project is and what it consists of, and you will lump the income tax, the sales tax credits that you get, and the sales tax that you have had forgiven, you will put them all in one piece. The withholding tax, you'll put them in one number. And you will report that number, by project, every two years. Why every two years? Well, it means that you can't have a source of data that comes right off some company's tax form. But what will happen is you will know, project by project, how much benefit they get. To the extent that the public has wanted to know what's under the hood of tax incentives, they wanted to know how much benefit companies are getting. This will give the answer to that question. It will be done in a lump sum. It won't reveal information, proprietary information, off an income tax form. It will have the sum total of benefit that's received from several different sources. And it will be reported every two years by project. Cumulatively, what that means is we will know what companies get, but it won't be in a form that takes data off tax forms and makes it available to the public in that way.