



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 340**

Hearing Date: February 2, 2007
Committee On: Revenue

Introducer(s): (Wightman)

Title: Authorize a local option income tax for school capital construction purposes

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
-

Vote Results:

6	Yes	Senators Burling, Cornett, Dierks, Janssen, Preister and Raikes
1	No	Senator White
0	Present, not voting	
1	Absent	Senator Langemeier

Proponents:

Senator John Wightman
Brian Hale
Jay Rempe
Pete McClymont

Representing:

Introducer
Nebraska Association of School Boards
Nebraska Farm Bureau Federation
Nebraska Cattlemen

Opponents:

John K. Hansen

Representing:

Nebraska Farmers Union

Neutral:

Catherine D. Lang

Representing:

Nebraska Department of Revenue

Summary of purpose and/or changes:

LB 340 would have authorized the use of an income tax by each local school district, school system, or learning community in the state. School districts would have been required to hold a public vote to implement the tax. The income tax could be used for financing bonded debt. Fifteen percent of Nebraska income tax liability was the maximum. The income tax was limited in use to future bond issues.

The Nebraska Department of Revenue was directed to administer the tax as it does the state income tax. The Department was directed to establish separate withholding forms for each school district directing the amount to be withheld from any resident of the district. Funds would

have been maintained in separate accounts for each district and were subject to refund claims by the residents of the district. Payments to the district from the fund were to be made from the fund in twelve installments beginning in the September following the income tax year in which the income tax was collected.

Income tax receipts would have been local system formula resources for purposes of determining state aid.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson