

SIXTY-SIXTH DAY - APRIL 18, 2007

LEGISLATIVE JOURNAL

**ONE HUNDREDTH LEGISLATURE
FIRST SESSION**

SIXTY-SIXTH DAY

Legislative Chamber, Lincoln, Nebraska
Wednesday, April 18, 2007

PRAYER

The prayer was offered by Pastor Michael Benischek, St. Mark's Northwest United Methodist Church, Lincoln.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Senator McDonald presiding.

The roll was called and all members were present except Senators Dierks, Gay, Heidemann, and Pedersen who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the sixty-fifth day was approved.

**COMMITTEE REPORT
Enrollment and Review**

LEGISLATIVE BILL 674. Placed on Select File - ER8074.
ER8074

- 1 1. On page 1, line 2, strike "and"; and in line 3 after
- 2 "penalty" insert "; and to provide an operative date".

(Signed) Amanda McGill, Chairperson

GENERAL FILE

LEGISLATIVE BILL 367. The second committee amendment, AM972, on file and referred to on page 1196, as amended, was renewed.

Senator White reoffered his amendment, AM950, printed separately and referred to on page 1196, to the second committee amendment.

Senator Friend offered the following motion:
To bracket LB 367 until April 29, 2007.

Senator Friend withdrew his motion.

The White amendment, AM950, printed separately and referred to on page 1196 and considered in this day's Journal, to the second committee amendment, was renewed.

Senator Nantkes moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 27 ayes, 3 nays, and 19 not voting.

Senator White moved for a call of the house. The motion prevailed with 33 ayes, 0 nays, and 16 not voting.

Senator White requested a roll call vote, in reverse order, on his amendment.

Voting in the affirmative, 13:

Ashford	Kruse	Nantkes	Schimek	White
Howard	Lathrop	Preister	Synowiecki	
Karpisek	McGill	Rogert	Wallman	

Voting in the negative, 32:

Adams	Engel	Hansen	Langemeier	Pirsch
Aguilar	Erdman	Harms	Louden	Raikes
Avery	Fischer	Heidemann	McDonald	Stuthman
Burling	Flood	Hudkins	Mines	Wightman
Carlson	Friend	Janssen	Nelson	
Cornett	Fulton	Johnson	Pahls	
Dierks	Gay	Kopplin	Pankonin	

Present and not voting, 3:

Chambers	Christensen	Dubas
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Excused and not voting, 1:

Pedersen

The White amendment lost with 13 ayes, 32 nays, 3 present and not voting, and 1 excused and not voting.

The Chair declared the call raised.

Senator White renewed his amendment, AM1031, printed separately and referred to on page 1197, to the second committee amendment.

SENATOR LANGEMEIER PRESIDING

Senator Mines requested a division of the question on the White amendment.

Senator Mines withdrew his request for a division of the question.

Senator White withdrew his amendment, AM1031.

Senator Chambers offered the following amendment to the second committee amendment:

AM1052

(Amendments to Standing Committee amendments, AM911)

- 1 1. Strike sections 5, 6, 10 to 21, 24, and 29 and insert
- 2 the following new section:
- 3 Sec. 5. Section 77-2701.02, Reissue Revised Statutes of
- 4 Nebraska, is amended to read:
- 5 77-2701.02 Pursuant to section 77-2715.01:
- 6 (1) Until July 1, 1998, the rate of the sales tax levied
- 7 pursuant to section 77-2703 shall be five percent;
- 8 (2) Commencing July 1, 1998, and until July 1, 1999, the
- 9 rate of the sales tax levied pursuant to section 77-2703 shall be
- 10 four and one-half percent;
- 11 (3) Commencing July 1, 1999, and until the start of the
- 12 first calendar quarter after July 20, 2002, the rate of the sales
- 13 tax levied pursuant to section 77-2703 shall be five percent;~~and~~
- 14 (4) Commencing on the start of the first calendar quarter
- 15 after July 20, 2002, and until October 1, 2007, the rate of the
- 16 sales tax levied pursuant to section 77-2703 shall be five and
- 17 one-half percent; and -
- 18 (5) Commencing October 1, 2007, the rate of the sales tax
- 19 levied pursuant to section 77-2703 shall be five percent.
- 20 2. Correct the repealer and operative date sections
- 21 accordingly.

SENATOR ERDMAN PRESIDING

Pending.

COMMUNICATION

April 18, 2007

The Honorable John Gale
Secretary of State
2300 State Capitol
Lincoln, NE 68509

Dear Mr. Secretary:

Consistent with our rules, I am forwarding LB 106 for deposit in your office. Legislative rules require us to deliver the bills to your office following the receipt of a veto message when no motion to override has been offered.

Sincerely,
(Signed) Patrick J. O'Donnell
Clerk of the Legislature

PJO:jk

VISITORS

Visitors to the Chamber were 80 fourth-grade students and teachers from Hickory Hill Elementary, Papillion; Carey Buckles, Karen Lundgren, and Steve Bray from Blair; 68 fourth-grade students and teachers from Howard Elementary, Fremont; Lois Holen from Bertrand and Lois Dick, Sue Perry, Margy Hilsabeck, and Janice and Betty Carlson from Holdrege; members of the Junior City Council from Columbus; 6 students and teachers from Blackburn High School, Omaha, and Senator Pedersen's daughter, Michaela Jackson; Dr. Paul Hillyer and Chris Dixon from Columbus; and 22 fourth-grade students and sponsors from Anderson Grove Elementary, Bellevue.

RECESS

At 11:57 a.m., on a motion by Senator Aguilar, the Legislature recessed until 1:30 p.m.

AFTER RECESS

The Legislature reconvened at 1:30 p.m., Senator Langemeier presiding.

ROLL CALL

The roll was called and all members were present except Senators Hansen and Johnson who were excused; and Senators Ashford, Christensen, Cornett, Engel, Karpisek, Lathrop, Rogert, and Wightman who were excused until they arrive.

GENERAL FILE

LEGISLATIVE BILL 367. Senator Chambers renewed his amendment, AM1052, found in this day's Journal, to the second committee amendment.

SENATOR SCHIMEK PRESIDING

SENATOR LANGEMEIER PRESIDING

Senator Chambers moved for a call of the house. The motion prevailed with 33 ayes, 0 nays, and 16 not voting.

Senator Chambers requested a roll call vote on his amendment.

Voting in the affirmative, 18:

Aguilar	Karpisek	McGill	Raikes	Wallman
Chambers	Kopplin	Nantkes	Rogert	White
Dubas	Kruse	Pedersen	Schimek	
Howard	Lathrop	Preister	Synowiecki	

Voting in the negative, 26:

Adams	Erdman	Harms	McDonald	Stuthman
Avery	Fischer	Heidemann	Mines	Wightman
Burling	Flood	Hudkins	Nelson	
Carlson	Friend	Janssen	Pahls	
Dierks	Fulton	Langemeier	Pankonin	
Engel	Gay	Louden	Pirsch	

Present and not voting, 1:

Cornett

Excused and not voting, 4:

Ashford	Christensen	Hansen	Johnson
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The Chambers amendment lost with 18 ayes, 26 nays, 1 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

The second committee amendment, AM972, on file and referred to on page 1196 and considered in this day's Journal, as amended, was renewed.

Senator Chambers requested a roll call vote on the second committee amendment, as amended.

Voting in the affirmative, 41:

Adams	Erdman	Hudkins	McGill	Rogert
Aguilar	Fischer	Janssen	Mines	Stuthman
Avery	Flood	Karpisek	Nantkes	Wallman
Burling	Friend	Kopplin	Nelson	White
Carlson	Fulton	Kruse	Pahls	Wightman
Cornett	Gay	Langemeier	Pankonin	
Dierks	Harms	Lathrop	Pirsch	
Dubas	Heidemann	Louden	Preister	
Engel	Howard	McDonald	Raikes	

Voting in the negative, 2:

Chambers Schimek

Present and not voting, 1:

Synowiecki

Excused and not voting, 5:

Ashford Christensen Hansen Johnson Pedersen

The second committee amendment, as amended, was adopted with 41 ayes, 2 nays, 1 present and not voting, and 5 excused and not voting.

The third committee amendment is as follows:

(Amendment, AM971, is on file and available in the Clerk's Office, Room 2014.)

Senator Janssen withdrew his amendment, AM922, found on page 1064.

Senator Janssen renewed his amendment, AM1008, found on page 1185, to the third committee amendment.

SENATOR ERDMAN PRESIDING

The Janssen amendment was adopted with 36 ayes, 0 nays, 8 present and not voting, and 5 excused and not voting.

Senator Dubas withdrew her amendment, AM1030, found on page 1197.

The third committee amendment, as amended, was adopted with 37 ayes, 0 nays, 7 present and not voting, and 5 excused and not voting.

Advanced to E & R for review with 38 ayes, 2 nays, 4 present and not voting, and 5 excused and not voting.

AMENDMENTS - Print in Journal

Senator White filed the following amendment to LB 367:
AM1049

(Amendments to Standing Committee amendments, AM911)

- 1 1. Insert the following new sections:
- 2 Sec. 7. Section 77-2715.07, Revised Statutes Cumulative
- 3 Supplement, 2006, is amended to read:
- 4 77-2715.07 (1) There shall be allowed to qualified
- 5 resident individuals as a nonrefundable credit against the income
- 6 tax imposed by the Nebraska Revenue Act of 1967:

7 (a) A credit equal to the federal credit allowed under
8 section 22 of the Internal Revenue Code; and

9 (b) A credit for taxes paid to another state as provided
10 in section 77-2730.

11 (2) There shall be allowed to qualified resident
12 individuals against the income tax imposed by the Nebraska Revenue
13 Act of 1967:

14 (a) For returns filed reporting federal adjusted
15 gross incomes of greater than twenty-nine thousand dollars, a
16 nonrefundable credit equal to twenty-five percent of the federal
17 credit allowed under section 21 of the Internal Revenue Code of
18 1986, as amended;

19 (b) For returns filed reporting federal adjusted gross
20 income of twenty-nine thousand dollars or less, a refundable credit
21 equal to a percentage of the federal credit allowable under section
22 21 of the Internal Revenue Code of 1986, as amended, whether or
1 not the federal credit was limited by the federal tax liability.
2 The percentage of the federal credit shall be one hundred percent
3 for incomes not greater than twenty-two thousand dollars, and
4 the percentage shall be reduced by ten percent for each one
5 thousand dollars, or fraction thereof, by which the reported
6 federal adjusted gross income exceeds twenty-two thousand dollars;

7 (c) A refundable credit for individuals who qualify for
8 an income tax credit as an owner of agricultural assets under the
9 Beginning Farmer Tax Credit Act for all taxable years beginning or
10 deemed to begin on or after January 1, 2001, under the Internal
11 Revenue Code of 1986, as amended; and a refundable credit as
12 provided in section 77-5209.01 for individuals who qualify for an
13 income tax credit as a qualified beginning farmer or livestock
14 producer under the Beginning Farmer Tax Credit Act for all taxable
15 years beginning or deemed to begin on or after January 1, 2006,
16 under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for
18 an income tax credit under the Nebraska Advantage Microenterprise
19 Tax Credit Act or the Nebraska Advantage Research and Development
20 Act; and

21 (e) A refundable credit equal to eight percent of the
22 federal credit allowed under section 32 of the Internal Revenue
23 Code of 1986, as amended.

24 (3) There shall be allowed to all individuals as a
25 nonrefundable credit against the income tax imposed by the Nebraska
26 Revenue Act of 1967:

27 (a) A credit for personal exemptions allowed under
1 section 77-2716.01; and

2 (b) A credit for contributions to certified community
3 betterment programs as provided in the Community Development
4 Assistance Act. Each partner, each shareholder of an electing
5 subchapter S corporation, each beneficiary of an estate or trust,
6 or each member of a limited liability company shall report his or

7 her share of the credit in the same manner and proportion as he
 8 or she reports the partnership, subchapter S corporation, estate,
 9 trust, or limited liability company income.

10 (4) There shall be allowed as a credit against the income
 11 tax imposed by the Nebraska Revenue Act of 1967:

12 (a) A credit to all resident estates and trusts for taxes
 13 paid to another state as provided in section 77-2730; and

14 (b) A credit to all estates and trusts for contributions
 15 to certified community betterment programs as provided in the
 16 Community Development Assistance Act.

17 (5) There shall be allowed to all business firms as a
 18 credit against the income tax imposed by the Nebraska Revenue Act
 19 of 1967 a credit as provided in section 77-27,222.

20 (6) For taxable years beginning or deemed to begin on
 21 or after January 1, 2007, there shall be allowed to resident
 22 individuals against the tax imposed by the Nebraska Revenue Act
 23 of 1967 a refundable credit for motor vehicle taxes paid on all
 24 passenger cars, as defined in section 60-345, and trucks, as
 25 defined in section 60-356, registered for three tons or less,
 26 of the taxpayer. The amount of the credit shall be the motor
 27 vehicle taxes paid on such automobiles during the tax year, but
 1 not to exceed one hundred fifty dollars. The Tax Commissioner
 2 shall develop a form for use by the taxpayer and the Department
 3 of Revenue which provides sufficient proof of ownership and motor
 4 vehicle taxes paid in the tax year. Every biennium, the Legislature
 5 shall reexamine the amount of this tax credit based on economic
 6 conditions, fiscal conditions, and other relevant factors.

7 Sec. 12. Original section 77-2715.07, Revised Statutes
 8 Cumulative Supplement, 2006, is repealed.

Senator White filed the following amendment to LB 367:
 AM1050

(Amendments to Standing Committee amendments, AM911)

1 1. Insert the following new sections:

2 Sec. 6. Section 77-2701.02, Reissue Revised Statutes of
 3 Nebraska, is amended to read:

4 77-2701.02 Pursuant to section 77-2715.01:

5 (1) Until July 1, 1998, the rate of the sales tax levied
 6 pursuant to section 77-2703 shall be five percent;

7 (2) Commencing July 1, 1998, and until July 1, 1999, the
 8 rate of the sales tax levied pursuant to section 77-2703 shall be
 9 four and one-half percent;

10 (3) Commencing July 1, 1999, and until the start of the
 11 first calendar quarter after July 20, 2002, the rate of the sales
 12 tax levied pursuant to section 77-2703 shall be five percent; ~~and~~

13 (4) Commencing on the start of the first calendar quarter
 14 after July 20, 2002, and until October 1, 2007, the rate of the
 15 sales tax levied pursuant to section 77-2703 shall be five and
 16 one-half percent; and -

17 (5) Commencing October 1, 2007, the rate of the sales tax
 18 levied pursuant to section 77-2703 shall be five and one-quarter
 19 percent.
 20 Sec. 12. Original section 77-2701.02, Reissue Revised
 21 Statutes of Nebraska, is repealed.

Senator Mines filed the following amendment to LB 367:
 AM1062

(Amendments to Standing Committee amendments, AM911)

1 1. Strike section 6 and insert the following new
 2 sections:
 3 Section 1. Section 77-2101.01, Revised Statutes
 4 Cumulative Supplement, 2006, is amended to read:
 5 77-2101.01 (1) In addition to the inheritance taxes
 6 imposed by the laws of the State of Nebraska, there is levied and
 7 imposed an estate or excise tax until January 1, 2007, upon the
 8 transfer of the estate of every resident decedent and upon the
 9 value of any interest in Nebraska real estate and tangible personal
 10 property situated in Nebraska of a nonresident decedent.
 11 (2) For decedents dying before January 1, 2003, the
 12 amount of such tax shall be the maximum state tax credit allowance
 13 upon the tax imposed by Chapter 11 of the Internal Revenue Code
 14 reduced by the lesser of (a) the aggregate amount of all estate,
 15 inheritance, legacy, or succession taxes paid to any state or
 16 territory, the District of Columbia, or any possession of the
 17 United States in respect of any property subject to such tax
 18 or (b) the sum of (i) the amount determined by multiplying the
 19 maximum state tax credit allowance with respect to the taxable
 20 transfer by the percentage which the gross value of the transferred
 21 property not situated in Nebraska bears to the gross value of the
 22 transferred property and (ii) the amount of Nebraska inheritance
 1 taxes paid.
 2 (3) For all decedents dying on or after January 1, 2003,
 3 and before January 1, 2007, (a) for the estate of every resident
 4 decedent, the amount of such tax shall be the amount calculated
 5 in section 77-2101.03 reduced by the percentage which the gross
 6 value of the transferred property not situated in Nebraska bears
 7 to the gross value of the transferred property minus the amount of
 8 Nebraska inheritance taxes paid, and (b) for the estate of every
 9 nonresident decedent, the amount of such tax shall be the amount
 10 calculated in section 77-2101.03 multiplied by the percentage which
 11 the gross value of the transferred property situated in Nebraska
 12 bears to the gross value of the transferred property minus the
 13 amount of Nebraska inheritance taxes paid.
 14 Sec. 2. Section 77-2101.02, Reissue Revised Statutes of
 15 Nebraska, is amended to read:
 16 77-2101.02 ~~There~~ Until January 1, 2007, there is
 17 hereby imposed a generation-skipping transfer tax upon the
 18 generation-skipping transfer or distribution of property of every

19 resident of this state and upon the generation-skipping transfer
 20 of Nebraska real estate and tangible personal property situated in
 21 Nebraska by a nonresident. The amount of the generation-skipping
 22 transfer tax shall be the amount calculated in section 77-2101.03
 23 reduced by the lesser of (1) the aggregate amount of all transfer
 24 taxes paid to any state or territory, the District of Columbia,
 25 or any possession of the United States in respect of any property
 26 subject to the generation-skipping transfer tax or (2) the
 27 amount determined by multiplying the amount calculated in section
 1 77-2101.03 with respect to the taxable transfer by the percentage
 2 which the gross value of the transferred property not situated in
 3 Nebraska bears to the gross value of the transferred property.

4 Sec. 3. Section 77-2101.03, Revised Statutes Cumulative
 5 Supplement, 2006, is amended to read:

6 77-2101.03 (1) For decedents dying on or after January
 7 1, 2003, and before July 1, 2003, the tax on the Nebraska taxable
 8 estate shall be the greater of the maximum state tax credit
 9 allowance upon the tax imposed under Chapter 11 of the Internal
 10 Revenue Code or the amount provided in the following table:
 11 Nebraska taxable estate

12	At least	But less	Tax =	+	%	Of Excess
13		than				Over
14	\$0	\$40,000	\$0		0	\$0
15	40,000	90,000	0		.8	40,000
16	90,000	140,000	400		1.6	90,000
17	140,000	240,000	1,200		2.4	140,000
18	240,000	440,000	3,600		3.2	240,000
19	440,000	640,000	10,000		4	440,000
20	640,000	840,000	18,000		4.8	640,000
21	840,000	1,040,000	27,600		5.6	840,000
22	1,040,000	1,540,000	38,800		6.4	1,040,000
23	1,540,000	2,040,000	70,800		7.2	1,540,000
24	2,040,000	2,540,000	106,800		8	2,040,000
1	2,540,000	3,040,000	146,800		8.8	2,540,000
2	3,040,000	3,540,000	190,800		9.6	3,040,000
3	3,540,000	4,040,000	238,800		10.4	3,540,000
4	4,040,000	5,040,000	290,800		11.2	4,040,000
5	5,040,000	6,040,000	402,800		12	5,040,000
6	6,040,000	7,040,000	522,800		12.8	6,040,000
7	7,040,000	8,040,000	650,800		13.6	7,040,000
8	8,040,000	9,040,000	786,800		14.4	8,040,000
9	9,040,000	10,040,000	930,800		15.2	9,040,000
10	10,040,000		1,082,800		16	10,040,000

11 (2) For decedents dying on or after July 1, 2003, and
 12 before January 1, 2007, the tax on the Nebraska taxable estate
 13 shall be the greater of the maximum state tax credit allowance upon
 14 the tax imposed under Chapter 11 of the Internal Revenue Code or
 15 the amount provided in the following table:
 16 Nebraska taxable estate

	At least	But less than	Tax =	+	%	Of Excess Over
17			\$0		5.6	\$0
18	\$0	\$100,000	5,600		6.4	100,000
19	100,000	500,000	31,200		7.2	500,000
20	500,000	1,000,000	67,200		8	1,000,000
21	1,000,000	1,500,000	107,200		8.8	1,500,000
22	1,500,000	2,000,000	151,200		9.6	2,000,000
1	2,000,000	2,500,000	199,200		10.4	2,500,000
2	2,500,000	3,000,000	251,200		11.2	3,000,000
3	3,000,000	3,500,000	307,200		12	3,500,000
4	3,500,000	4,000,000	367,200		12.8	4,000,000
5	4,000,000	5,000,000	495,200		13.6	5,000,000
6	5,000,000	6,000,000	631,200		14.4	6,000,000
7	6,000,000	7,000,000	775,200		15.2	7,000,000
8	7,000,000	8,000,000	927,200		16	8,000,000
9	8,000,000	9,000,000	1,087,200		16.8	9,000,000
10	9,000,000					

12

13 (3) Taxable generation-skipping transfers shall be taxed
 14 at a rate of sixteen percent of the Nebraska taxable transfer.

15 2. Renumber the remaining sections and correct internal
 16 references and the repealer accordingly.

Senator Pedersen filed the following amendment to LB 405:
 AM995

(Amendments to E & R amendments, ER8059)

- 1 1. On page 1, line 5; and page 2, lines 5, 7, and 24,
 2 strike "nine" and insert "eight".
- 3 2. On page 1, line 12, strike "terms" and insert "term";
 4 and strike beginning with "and" in line 13 through "their" in line
 5 14 and insert "council member shall commence upon his or her".
- 6 3. On page 2, line 18, strike "and a ninth"; and in line
 7 20 strike "their" through "are" and insert "his or her successor
 8 is".

Senator Dubas filed the following amendment to LB 367:
 AM1054

(Amendments to Standing Committee amendments, AM911)

- 1 1. On page 46, line 23, strike "A", show as stricken,
 2 and insert "For taxable year 2007 under the Internal Revenue Code
 3 of 1986, as amended, a" and strike "eight", show as stricken, and
 4 insert "nine"; and in line 25 after the period insert "For taxable
 5 years beginning or deemed to begin on or after January 1, 2008,
 6 under the Internal Revenue Code of 1986, as amended, a refundable
 7 credit equal to ten percent of the federal credit allowed under
 8 section 32 of the Internal Revenue Code of 1986, as amended.".

Senator Mines filed the following amendment to LB 367:
AM1068

(Amendments to Standing Committee amendments, AM911)

- 1 1. Strike section 6 and insert the following new
- 2 sections:
- 3 Section 1. Section 77-2101.01, Revised Statutes
- 4 Cumulative Supplement, 2006, is amended to read:
- 5 77-2101.01 (1) In addition to the inheritance taxes
- 6 imposed by the laws of the State of Nebraska, there is levied and
- 7 imposed an estate or excise tax until January 1, 2007, upon the
- 8 transfer of the estate of every resident decedent and upon the
- 9 value of any interest in Nebraska real estate and tangible personal
- 10 property situated in Nebraska of a nonresident decedent.
- 11 (2) For decedents dying before January 1, 2003, the
- 12 amount of such tax shall be the maximum state tax credit allowance
- 13 upon the tax imposed by Chapter 11 of the Internal Revenue Code
- 14 reduced by the lesser of (a) the aggregate amount of all estate,
- 15 inheritance, legacy, or succession taxes paid to any state or
- 16 territory, the District of Columbia, or any possession of the
- 17 United States in respect of any property subject to such tax
- 18 or (b) the sum of (i) the amount determined by multiplying the
- 19 maximum state tax credit allowance with respect to the taxable
- 20 transfer by the percentage which the gross value of the transferred
- 21 property not situated in Nebraska bears to the gross value of the
- 22 transferred property and (ii) the amount of Nebraska inheritance
- 1 taxes paid.
- 2 (3) For all decedents dying on or after January 1, 2003,
- 3 and before January 1, 2007, (a) for the estate of every resident
- 4 decedent, the amount of such tax shall be the amount calculated
- 5 in section 77-2101.03 reduced by the percentage which the gross
- 6 value of the transferred property not situated in Nebraska bears
- 7 to the gross value of the transferred property minus the amount of
- 8 Nebraska inheritance taxes paid, and (b) for the estate of every
- 9 nonresident decedent, the amount of such tax shall be the amount
- 10 calculated in section 77-2101.03 multiplied by the percentage which
- 11 the gross value of the transferred property situated in Nebraska
- 12 bears to the gross value of the transferred property minus the
- 13 amount of Nebraska inheritance taxes paid.
- 14 Sec. 2. Section 77-2101.02, Reissue Revised Statutes of
- 15 Nebraska, is amended to read:
- 16 77-2101.02 ~~There~~ Until January 1, 2007, there is
- 17 hereby imposed a generation-skipping transfer tax upon the
- 18 generation-skipping transfer or distribution of property of every
- 19 resident of this state and upon the generation-skipping transfer
- 20 of Nebraska real estate and tangible personal property situated in
- 21 Nebraska by a nonresident. The amount of the generation-skipping
- 22 transfer tax shall be the amount calculated in section 77-2101.03
- 23 reduced by the lesser of (1) the aggregate amount of all transfer
- 24 taxes paid to any state or territory, the District of Columbia,

25 or any possession of the United States in respect of any property
 26 subject to the generation-skipping transfer tax or (2) the
 27 amount determined by multiplying the amount calculated in section
 1 77-2101.03 with respect to the taxable transfer by the percentage
 2 which the gross value of the transferred property not situated in
 3 Nebraska bears to the gross value of the transferred property.

4 Sec. 3. Section 77-2101.03, Revised Statutes Cumulative
 5 Supplement, 2006, is amended to read:

6 77-2101.03 (1) For decedents dying on or after January
 7 1, 2003, and before July 1, 2003, the tax on the Nebraska taxable
 8 estate shall be the greater of the maximum state tax credit
 9 allowance upon the tax imposed under Chapter 11 of the Internal
 10 Revenue Code or the amount provided in the following table:
 11 Nebraska taxable estate

	At least	But less than	Tax =	+	%	Of Excess Over
12	\$0	\$40,000	\$0		0	\$0
13						
14	\$0	\$40,000	\$0		0	\$0
15	40,000	90,000	0		.8	40,000
16	90,000	140,000	400		1.6	90,000
17	140,000	240,000	1,200		2.4	140,000
18	240,000	440,000	3,600		3.2	240,000
19	440,000	640,000	10,000		4	440,000
20	640,000	840,000	18,000		4.8	640,000
21	840,000	1,040,000	27,600		5.6	840,000
22	1,040,000	1,540,000	38,800		6.4	1,040,000
23	1,540,000	2,040,000	70,800		7.2	1,540,000
24	2,040,000	2,540,000	106,800		8	2,040,000
1	2,540,000	3,040,000	146,800		8.8	2,540,000
2	3,040,000	3,540,000	190,800		9.6	3,040,000
3	3,540,000	4,040,000	238,800		10.4	3,540,000
4	4,040,000	5,040,000	290,800		11.2	4,040,000
5	5,040,000	6,040,000	402,800		12	5,040,000
6	6,040,000	7,040,000	522,800		12.8	6,040,000
7	7,040,000	8,040,000	650,800		13.6	7,040,000
8	8,040,000	9,040,000	786,800		14.4	8,040,000
9	9,040,000	10,040,000	930,800		15.2	9,040,000
10	10,040,000		1,082,800		16	10,040,000

11 (2) For decedents dying on or after July 1, 2003, and
 12 before January 1, 2007, the tax on the Nebraska taxable estate
 13 shall be the greater of the maximum state tax credit allowance upon
 14 the tax imposed under Chapter 11 of the Internal Revenue Code or
 15 the amount provided in the following table:

16 Nebraska taxable estate

	At least	But less than	Tax =	+	%	Of Excess Over
17	\$0	\$100,000	\$0		5.6	\$0
18						
19	\$0	\$100,000	\$0		5.6	\$0
20	100,000	500,000	5,600		6.4	100,000
21	500,000	1,000,000	31,200		7.2	500,000
22	1,000,000	1,500,000	67,200		8	1,000,000

1	1,500,000	2,000,000	107,200	8.8	1,500,000
2	2,000,000	2,500,000	151,200	9.6	2,000,000
3	2,500,000	3,000,000	199,200	10.4	2,500,000
4	3,000,000	3,500,000	251,200	11.2	3,000,000
5	3,500,000	4,000,000	307,200	12	3,500,000
6	4,000,000	5,000,000	367,200	12.8	4,000,000
7	5,000,000	6,000,000	495,200	13.6	5,000,000
8	6,000,000	7,000,000	631,200	14.4	6,000,000
9	7,000,000	8,000,000	775,200	15.2	7,000,000
10	8,000,000	9,000,000	927,200	16	8,000,000
11	9,000,000		1,087,200	16.8	9,000,000

13 (3) Taxable generation-skipping transfers shall be taxed
14 at a rate of sixteen percent of the Nebraska taxable transfer.

15 2. On page 44, line 10, strike the new matter and insert
16 "1.8351".

17 3. Renumber the remaining sections and correct internal
18 references and the repealer accordingly.

Senator Dierks filed the following amendment to LB 629:
AM1053

(Amendments to Standing Committee amendments, AM987)

1 1. On page 3, line 9, strike "twenty" and insert "ten";
2 in line 22, strike "and"; and in line 24 after "agreement" insert
3 "; and

4 (3) Annually prepare a statement summarizing its efforts
5 to purchase energy from C-BED projects, including a list of the
6 C-BED projects under a power purchase agreement and the amount of
7 C-BED project energy purchased".

COMMITTEE REPORT

Natural Resources

LEGISLATIVE BILL 629. Placed on General File - Com AM987.
AM987

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

3 Section 1. Sections 1 to 9 of this act shall be known and
4 may be cited as the Rural Community-Based Energy Development Act.

5 Sec. 2. It is the intent of the Legislature to
6 create new rural economic development opportunities through rural
7 community-based energy development.

8 Sec. 3. For purposes of the Rural Community-Based Energy
9 Development Act:

10 (1) C-BED project or community-based energy development
11 project means a new wind energy project that:

12 (a) Has an ownership structure as follows:

13 (i) For a C-BED project that consists of more than two

14 turbines, is owned by qualified owners with no single qualified

15 owner owning more than fifteen percent of the project and with at
16 least thirty-three percent of the power purchase agreement payments
17 flowing to the qualified owner or owners or local community; or

18 (ii) For a C-BED project that consists of one or two
19 turbines, is owned by one or more qualified owners with at least
20 thirty-three percent of the power purchase agreement payments
21 flowing to a qualified owner or local community; and

22 (b) Has a resolution of support adopted:

23 (i) By the county board of each county in which the C-BED
1 project is to be located; or

2 (ii) By the tribal council for a C-BED project located
3 within the boundaries of an Indian reservation;

4 (2) Electric utility means an electric supplier that:

5 (a) Owns more than one hundred miles of
6 one-hundred-fifteen-kilovolt or larger transmission lines in the
7 State of Nebraska;

8 (b) Owns more than two hundred megawatts of electric
9 generating facilities; and

10 (c) Has the obligation to directly serve more than two
11 hundred megawatts of wholesale or retail electric load in the State
12 of Nebraska; and

13 (3) Qualified owner means:

14 (a) A Nebraska resident;

15 (b) A limited liability company that is organized under
16 the Limited Liability Company Act and that is made up of members
17 who are Nebraska residents;

18 (c) A Nebraska nonprofit corporation organized under the
19 Nebraska Nonprofit Corporation Act;

20 (d) An electric supplier as defined in section
21 70-1001.01, except that ownership in a single C-BED project is
22 limited to no more than:

23 (i) Fifteen percent by a single electric supplier; and

24 (ii) A combined total of twenty-five percent ownership by
25 multiple electric suppliers; or

26 (e) A tribal council.

27 Sec. 4. (1) A C-BED project developer and an electric
1 utility are authorized to negotiate in good faith mutually
2 agreeable power purchase agreement terms.

3 (2) A qualified owner or any combination of qualified
4 owners may develop a C-BED project with an equity partner that is
5 not a qualified owner, if not more than sixty-seven percent of the
6 power purchase agreement payments flow to the nonqualified owners.

7 (3) Except for an inherited interest, the transfer of
8 a C-BED project to any person other than a qualified owner is
9 prohibited during the initial twenty years of the power purchase
10 agreement.

11 (4) A C-BED project that is operating under a power
12 purchase agreement is not eligible for any applicable net energy
13 billing.

14 (5) A C-BED project shall be subject to approval by the
 15 Nebraska Power Review Board in accordance with Chapter 70, article
 16 10, or shall receive certification as a qualifying facility in
 17 accordance with the federal Public Utility Regulatory Policies Act
 18 of 1978, 16 U.S.C. 2601 et seq., with written notice of such
 19 certification provided to the Nebraska Power Review Board.

20 Sec. 5. An electric utility shall:

21 (1) Consider mechanisms to encourage the aggregation of
 22 C-BED projects located in the same general geographical area; and

23 (2) Require any qualified owner to provide sufficient
 24 security to assure performance under the power purchase agreement.

25 Sec. 6. The governing body of an electric utility
 26 that has determined a need to construct new renewable generation
 27 facilities shall take reasonable steps to determine if one or more
 1 C-BED projects are available and are technically, economically, and
 2 operationally feasible to provide some or all of the identified
 3 generation need.

4 Sec. 7. To the extent feasible, a C-BED project developer
 5 shall provide, in writing, an opportunity to invest in the C-BED
 6 project to each property owner on whose property a turbine is
 7 located.

8 Sec. 8. Nothing in sections 1 to 7 of this act shall be
 9 construed to obligate an electric utility to enter into a power
 10 purchase agreement under a C-BED project.

11 Sec. 9. An electric supplier as defined in section
 12 70-1001.01 may agree to limit its exercise of the power of eminent
 13 domain to acquire a C-BED project which is a renewable energy
 14 generation facility producing electricity with wind and any related
 15 facilities if such electric supplier enters into a contract to
 16 purchase output from such facility for a term of ten years or more.

17 Sec. 10. If any section in this act or any part of any
 18 section is declared invalid or unconstitutional, the declaration
 19 shall not affect the validity or constitutionality of the remaining
 20 portions.

21 Sec. 11. Since an emergency exists, this act takes effect
 22 when passed and approved according to law.

(Signed) LeRoy Loudon, Chairperson

VISITORS

Visitors to the Chamber were Senator Burling's wife and daughter, Bonnie Burling and Darla Erickson from Hastings, Pat Jones from Eddyville, and Susan Overmiller from Hastings; and members of the Fremont Area Chamber from Fremont.

Upon adjournment the Speaker introduced a group from the Nebraska Association of Former State Legislators.

The Doctor of the Day was Dr. Kip Anderson from Columbus.

ADJOURNMENT

At 3:59 p.m., on a motion by Speaker Flood, the Legislature adjourned until 9:00 a.m., Thursday, April 19, 2007.

Patrick J. O'Donnell
Clerk of the Legislature

