



Hundredth Legislature - First Session - 2007  
**Introducer's Statement of Intent**  
**LB 340**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** February 2, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 340 would provide a school district, local system or learning community, if approved by a vote of the registered voters of that system, the option to impose a local income tax if approved by a vote of the registered voters of that system. This option would allow a portion of the cost of bond payments to be transferred to income tax payers on the basis that income is a better indicator of ability to pay than property. The tax will either terminate upon a set date determined by the question submitted to the voters or upon payment of the bonds, or by a vote of the electors of that system.

The rate of the local income tax shall be set as a percentage of a taxpayer's Nebraska income tax liability not to exceed fifteen percent of Nebraska income tax liability.

The proceeds from such local income tax may only be used for bond payments on any school bonds for capital construction issued on or after the effective date of the act for any purpose for which a tax could be levied under certain sections of this act.

The bill provides for the administration of the local income tax by the Department of Revenue and harmonizes certain provisions.

**Principal Introducer:** \_\_\_\_\_  
**Senator John Wightman**