

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 981

Introduced by Cornett, 45; Adams, 24; Dierks, 40; Hadley, 37;
Louden, 49; Pahls, 31; Pirsch, 4; Utter, 33; White,
8.

Read first time January 19, 2010

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-382, Reissue Revised Statutes of Nebraska; to create a
3 panel to review a tax expenditure report; and to repeal
4 the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-382, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-382 (1) The department shall prepare a tax expenditure
4 report describing ~~(1)~~ (a) the basic provisions of the Nebraska
5 tax laws, ~~(2)~~ (b) the actual or estimated revenue loss caused
6 by the exemptions, deductions, exclusions, deferrals, credits, and
7 preferential rates in effect on July 1 of each year and allowed
8 under Nebraska's tax structure and in the property tax, and ~~(3)~~ (c)
9 the elements which make up the tax base for state and local income,
10 including income, sales and use, property, and miscellaneous taxes.
11 The department shall review the major tax exemptions for which
12 state general funds are used to reduce the impact of revenue lost
13 due to a tax expenditure. The report shall indicate an estimate of
14 the amount of the reduction in revenue resulting from the operation
15 of all tax expenditures. The report shall make recommendations
16 relating to the elimination, in whole or in part, of particular tax
17 expenditures or to the limiting of the duration of particular tax
18 expenditures to a fixed number of years.

19 (2) The tax expenditure report and all tax expenditures
20 shall be reviewed prior to publication of the report by a panel
21 appointed by the Executive Board of the Legislative Council.
22 The panel shall consist of two members of the Legislature and
23 one public member. The members shall serve two-year terms or,
24 for the members of the Legislature, until their terms of office
25 expire, whichever is earlier. The panel shall make recommendations

1 regarding tax exemptions and tax expenditures that shall be
2 published as part of the report. Members of the panel shall
3 be reimbursed for their actual and necessary expenses as provided
4 in sections 81-1174 to 81-1177.

5 (3) It is the intent of the Legislature that nothing
6 in the Tax Expenditure Reporting Act shall cause the valuation or
7 assessment of any property exempt from taxation on the basis of its
8 use exclusively for religious, educational, or charitable purposes.

9 Sec. 2. Original section 77-382, Reissue Revised Statutes
10 of Nebraska, is repealed.