

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT (CORRECTED)
LB610

Hearing Date: Wednesday February 06, 2019
Committee On: Revenue
Introducer: Lindstrom
One Liner: Adopt the College Savings Tax Credit Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Briese, Crawford, Groene, Friesen, Kolterman, Lindstrom,
Linehan, McCollister

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Brett Lindstrom
John Murante
Deborah Goodkin
Jennifer Creager

Representing:

Introducer
State Treasurer
First National Bank of Omaha
Greater Omaha Chamber

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB610 creates the College Savings Tax Credit Act under the Nebraska Education Savings Plan Trust ("NEST").

Under the Act, an employer may make a contribution to a college savings account that matches an employee contribution for the same taxable year. The employer would be entitled to a nonrefundable credit equal to 25 percent of the matching contribution, not to exceed \$2,000 per employee. The credit may be carried forward for five years.

The credit is available for tax years beginning or deemed to begin on or after January 1, 2020.

Explanation of amendments:

The amendment changes the original bill from a nonrefundable income tax credit program to an employer incentive program. The program would be administered by the State Treasurer rather than the Department of Revenue. An eligible employer would receive an incentive payment from the State Treasurer's office equal to 25 percent of the matching contribution, not to exceed \$2,000 per employee.

Prior to June 30 of each year, the State Treasurer would determine the total amount of incentive payments approved for the year, transfer such amount from the General Fund to the College Savings Incentive Cash Fund, and distribute the incentive payments to the approved employers. The amendment sets a cap of \$250,000 per year in approved rebates.

The amendment delays the implementation date until January 1, 2022.

On March 14, 2019, Senator Lindstrom introduced AM 481/701 in a Revenue Committee hearing.

Testifiers:

Proponent - John Murante, State Treasurer

Opponent - NONE

Netural - NONE

Lou Ann Linehan, Chairperson