

ONE HUNDRED SIXTH LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 186

Introduced by McDonnell, 5.

PURPOSE: The purpose of this interim study is to examine the potential elimination of exemptions for goods and services under sales and use tax laws.

The study shall identify and evaluate:

(1) The relative tax burdens of property taxes, income taxes, and sales taxes by income level and geographic location in the state;

(2) Sales tax exemptions for which there is an identifiable tax expenditure;

(3) Sales tax exemption categories that are important to avoid double taxation of inputs, such as exemptions for business and production inputs, as well as exemptions for the trade-in value of personal property in new sales;

(4) Sales tax exemption categories that are important to retain a competitive position with the six states bordering Nebraska and with the Midwest region;

(5) Sales tax exemption categories that are strategically important to our state economy including retention of highly mobile businesses that can relocate easily;

(6) Transactions that involve small businesses or a small number of sales where the compliance burdens are potentially excessive in relation to the tax collected;

(7) Historical trends and shifts in the state, regional, and national economies with respect to the sale of goods and services; and

(8) Structural tax reforms appropriate for modernizing the state tax system in the changing global economy while promoting state competitiveness and growth.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SIXTH

LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.