

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB434

Chairperson: Senator Lou Ann Linehan

Committee: Revenue

Date of Hearing: March 03, 2021

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

The biennial Tax Expenditure Report produced by the Department of Revenue is intended to estimate the revenue loss from exemptions, credits and deductions under Nebraska's tax code. Several years ago, legislation was passed to include estimates of revenue lost from not subjecting certain services to the tax. Some of the services included in that legislation are already subject to sales and use tax. Therefore they are not appropriate inclusions in the Tax Expenditure Report.

Since the Tax Expenditure Report does not significantly change from year to year, the annual requirement that it be presented to a joint hearing of the Revenue and Appropriations Committees is removed. Any information in addition to the report, requested by three or more committee members, is still required to be provided within 30 days.

LB434 also removes the annual presentation of the Tax Incentives Report to a joint hearing of the Revenue and Appropriations Committees. The Department of Revenue is still required to produce the report on an annual basis but the presentation at the joint hearing is changed to a biennial basis, beginning on or before September 1, 2022 and every even-numbered year thereafter.

Principal Introducer: _____

**Senator Lou Ann Linehan, Chairperson
Revenue Committee**