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LB 647

also shows you the income guidelines, and I would like to explain, and perhaps Senator Newell did not understand what I was talking about. He said with the type of income guidelines that were in the previous amendment, that I was not stating it correctly, but you still would have to make an arrangement. Now arrangement to me means, if I was over 65 and two people, my son and his wife and children moved in with me because he lost his job, isn't it true that the arrangement would be that I would have to say I receive room and board in rent from them even though I don't receive anything, and to me this is expecting people to put something down that isn't true, because you don't receive room and board, you don't receive any part of their ADC or any part of their unemployment. We would just make the arrangement, and I don't think any one of us want to make arrangements with our children. I would like to now go into explaining Governor Thone's amendment which I say I support and hopefully you will also. The amendment proposes that the exemption of actual value in the current Homestead Exemption Act shall be raised from the first \$25,000 to the first \$40,000 in light of the effect of recent property tax valuations. The amendment also proposes the income limits to be eligible in the Homestead Exemption program at the 100 percent exemption level be raised for single individuals and married couples to a level consistent with the minimum federal income tax filing requirements. Now, two years ago when I introduced the homestead exemption, increasing it and putting a sliding scale on it, the income level required by the federal government has been increased. We are just increasing it to that point and no more. For single homeowners the new income level for 100 percent exemption would be raised from 3700 to 4300. That is raising it 600. For married homeowners that level would be raised from 5450 to 7400, and I believe you have the chart in front of you because I passed it out yesterday...the measure of income, the federal adjusted growth income rather than the household or spendable income. It also proposes that the percentage of the first 40,000 of homestead exemption be reduced by 20 percent intervals for each \$500 of adjusted gross income above the filing levels. The top level of income for individuals would thus be 6300 and for married couples it would be 9400. Anything over that, of course, there would be no exemption whatsoever. We also put in a new interval recognizing a 20 percent. Now, as you recall, two years ago I dropped it down to a 40 percent level and then cut it off. In this case an additional dollar of income can and does mean the loss of the full exemption of 40 percent. So we thought it best to add one more of 20 percent. The Governor's proposal would also extend the exemption an additional step