

March 23, 1981

LB 167

the taxpayer paid on a timely fashion and the state made a mistake and refunded too much, that the mere fact that the state refunded more than they should, in effect the taxpayer has then become delinquent in his tax, though it was at no fault of his own. My position is that it is unjust to penalize the taxpayer at a fourteen percent rate of interest when the state made the mistake and that it is reasonable to retain the present rate of interest which is at six percent which is comparable to what that individual taxpayer could earn on that refund that was erroneously made should he invest it in some kind of investment that was completely liquid, that is that they could get back the money at any time and was not...because they wouldn't know when the state would determine when a mistake had been made. Philosophically if you think the taxpayer should be paying the higher percent of interest because the state had made a mistake, then you would vote against the amendment, but if you think it is fairer that only the amount of interest the taxpayer could have earned in an investment where the funds were readily available because of the state's mistake, you will retain the six percent that the current law has and which my amendment reinstates.

SPEAKER MARVEL: Senator Newell, do you wish to speak to this third amendment?

SENATOR NEWELL: Yes, Mr. President, members of the body, I am going to rise to speak on this issue. I am not sure whether I am going to support it or oppose it. Senator Warner, do you have any idea how often this might occur? I mean, one of my concerns is that we may be doing something that is more paperwork and more bookwork than it is, in fact, effectively helping someone out.

SENATOR WARNER: It only refers to income tax refunds, Senator Newell, and the amendment will not create a larger number or a lesser number than we have now. The only thing in question is what rate of interest should the taxpayer be charged because the state refunded too much money.

SENATOR NEWELL: Yes, but basically what we are doing is setting up a new class, the specific class that says in some cases we are going to have some people who deserve...who, because they didn't make the mistake only pay six percent, and other cases, they are going to pay twelve percent as a delinquent tax because it was not their mistake but instead... I mean it was their mistake itself instead of the state's mistake, right? So we are really going to set up a two-tiered system on the rebate.