

SENATOR NEWELL: Yes, Mr. President, members of the body, this amendment is a very simple amendment. Presently this bill is a credit off the federal credit, and because the federal credit, it is a percentage of the federal credit given on a state basis, the percentage in this situation is fifty percent. I am saying that it ought to be set at our percentage of the federal liability. It is very simple. It ought to be set at our percentage of the federal liability. The net effect of this would lower it from half of what the federal credit is to fifteen percent presently. If the income tax rate goes up, it would be whatever the income tax rate is. Basically it ties the credit to our tax rate and it would reduce the fiscal impact of the bill. I urge your acceptance of the amendment.

SENATOR CLARK: Senator Kilgarin.

SENATOR KILGARIN: Thank you. I rise in opposition to the Newell amendment simply because presently the federal credit is fifteen percent, fifteen percent of that taxable income. The line and the amount is set out very specifically in the code and they are very low. They are very low and the credit is not that large. Also we are talking about correcting a situation which was created in 1976. Initially all of this income was exempted from taxation and that carried through to the state level. All of it was exempted. All we are asking for is fifty percent of the credit. We are not asking for the entire exemption to be rectified. We are asking for fifty percent of that credit. I urge you to vote against Senator Newell's amendment. Thank you.

SENATOR CLARK: Senator Marsh.

SENATOR MARSH: Mr. Chairman, and especially, Senator Newell. Senator Newell, I certainly hope you will withdraw your amendment when you know how low the figure is to begin with. I think this is not a fair way. That has not had a public hearing. LB 197 has had a public hearing. I urge you to withdraw the amendment, but if you do not choose to withdraw, I urge the body to vote against it.

SENATOR CLARK: Senator Newell, do you wish to close on your amendment?

SENATOR NEWELL: Mr. President, members of the body, I will concede to Senator Marsh's point that by making it fifteen percent of the federal liability it does significantly reduce the impact of the credit, the Nebraska credit, which is pegged to the federal credit. Now I will concede that point.