

May 28, 1981

LR 194

SPEAKER MARVEL: Mr. Chairman and members of the Legislature, I would like to take a minute and read about three paragraphs which affect you financially if you have two residence as a legislator.

SENATOR CLARK: (Gavel)...I hope we have a little quiet, this affects all of you.

SPEAKER MARVEL: And the National Conference of State Legislatures, and some of you belong to special committees in that category, has sent out as of May 22nd the following letter: "Presently pending in the House Ways and Means Committee is legislation that would extend and make permanent a provision in the tax code that allows state legislators to deduct per diem expenses when filing federal income tax returns. Congress has enacted legislation in the past with a respect to per diem for state legislators on three different occasions with the most recent legislation expiring December 31st, 1980. The situation is at a point where time is of the essence. Every day which passes with no action on this legislation increases the likelihood that state legislators will be subjected to deficiency assessments by the IRS for income they have received in the past few years which has come to them in the form of per diem allowance. A bill sponsored by Representatives Matusui of California and Gibbons of Florida, HR 2605, not only makes this provision for state legislators permanent, but it also addresses the U. S. tax court decision which places a heavy burden for those who must maintain two residence during their legislative sessions. We believe this legislation must be acted on soon in order to avoid adverse impacts upon any state legislator. Accordingly, we urge you to contact your delegation in the U. S. House of Representatives requesting that they seek early action on this legislation. It is of critical importance to many of our colleagues and deserves prompt attention by the Congress." And at the bottom of the letter is an address and telephone number. And I assume that many of you are in the same category I am, and that is where you are required to have two residence, if an adverse IRS decision is made, then you are going to have to dig up additional money to pay for what has already been received. So, Mr. President, I make a motion that we adopt LR 194 and since this letter is in your office, I assume it is all right with you if legislators come and take a look at this. So I move the adoption of the resolution.

SENATOR CLARK: Senator Koch.

SENATOR KOCH: Mr. Speaker, I want to express my appreciation