

SPEAKER BARRETT: LB 459 is advanced. LB 458.

CLERK: 458 offered by the Revenue Committee. (Title read.) The bill was introduced on January 13, Mr. President, referred to the Revenue Committee, advanced to General Committee. I do have Revenue Committee amendments pending.

SPEAKER BARRETT: To the committee amendments, Chairman Hall.

SENATOR HALL: Thank you, Mr. President and members. Again, this is a technical bill that was brought to the committee by the Revenue Department. This one is half as long as the last one, it is only six pages, and it deals with, again, the issue of income tax and how it is determined. There were a couple of omissions again that...with regard to 773 but these are much more technical and if you will bear with me I will try to explain them to the best of my ability. But the committee amendment was brought to us by John Cederberg who is a partner in Touche-Ross and who was quite actively involved in the development of 773. John was there at the birth of 773 and has continued to follow the progress of that legislation and the impact that it has had on his industry. He brought three different amendments to the committee, two of which the committee, through consultation with the department, determined that were not necessary at this time. They dealt with things such as foreign mutual funds that no one could determine if anyone in the State of Nebraska even had investments in there, but probably was a good point on his part. It's just that there was no need at this time to enact that into statute, at least that was the opinion of the Revenue Department as well as the opinion of the committee. But the one committee amendment that we did adopt with the blessings of the Revenue Committee dealt with the alternative minimum tax, federal alternative minimum tax proposal that would allow Nebraskans to use this in determining their alternative minimum tax and basically what it does in a nutshell, it avoids counting the state income taxes twice when you calculate the tax. It's a very long and drawn out process with regard to showing you that. It would take about four or five pages in a handout and Mr. Cederberg did have that, walked us through it and left us as confused as before he made the presentation, but it is a positive aspect for the taxpayers of Nebraska in that it does allow them the use of the federal minimum tax that we have not had in the past and it corrects a problem with regard to basically being taxed twice