

when the calculation is put together. So with that, if there are questions, again, I will try to answer them but it is an extremely technical although very positive change and I would urge the adoption of the committee amendments.

SPEAKER BARRETT: Thank you. Discussion on the committee amendments as explained by Senator Hall. If not, those in favor of the adoption of the committee amendments to LB 458 vote aye, opposed nay. Please record.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SPEAKER BARRETT: The committee amendments are adopted. Senator Hall, on the bill.

SENATOR HALL: Again, as I stated earlier, there are basically two changes that LB 458 would enact and again I would urge you to take out the bill book and look at the summary and purpose of changes that is laid out there for you by committee staff. The two changes deal with unintended consequences that were laid out because of 773. The first would allow deducting the state income tax refund in 1987 which were deducted under the Internal Revenue Code but not under the Revenue Act of 1967. In other words, people who fell into the window of 1987 when the law was there, the old law was in effect still, were in many cases unable to be able to deduct the taxes that were...the income tax refunds received in 1987 and in order to allow for that this change needs to take place. It is a...it will only be a one-time kind of change in that it only will be effective for the tax year 1987. It goes back and allows those people to be able to deduct them with regard to their Nebraska tax. They were deducted under their federal tax but it would now allow them to do that under their state taxes. Because of the change in law with regard to 1988, you get your refunds for the tax year 1987 and in 1988 and they were not taxable prior, they are taxable now and there is a problem there so we needed to allow for that change. The second change would allow for repaid income which an individual takes as a federal tax credit and this applies basically to individuals who receive bonuses, bonuses, for example, that are paid for sales to be achieved and they have to be paid back. This doesn't happen very often but it does happen to a group of people who basically sell for a living, do it on commission, but may receive that in advance. They have not, for example, hit their goal and they have to