

SENATOR CHIZEK: Basically, the committee amendments are amendments that I had offered that were suggested after the hearing. The one amendment would remove the language implying that financial institutions or brokers have an obligation to provide total investment counselings on the savings account and it provides that withdrawals only be from the amounts contributed as principal until the amount is closed. And it provides...the Department of Revenue requested that there be a 10 percent penalty added on the amounts withdrawn if it's used for anything other than educational expense and the penalty would be considered a tax and paid to the state. And, finally, the change in incorrect section reference is the other one. So I would ask your adoption of the amendments.

PRESIDENT: Very good. Thank you. The question is the adoption of the committee amendments. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 25 ayes, 1 nay, Mr. President, on adoption of the committee amendments.

PRESIDENT: The committee amendments are adopted. Senator Chizek, would you like to speak about the advancement of the bill?

SENATOR CHIZEK: Yes. Mr. President and colleagues, LB 140 is a bill that I have been dealing with for a couple of years now. It really wasn't long after the '87 adjournment that some constituents came to me and wanted to know if there was any way that the state or government might encourage people to save for children's education, etcetera, and by that I mean these were people who pay the taxes and hold the jobs and they don't get any special benefits and are not exactly on easy street. Out of that question came LB 860 last year and then an interim study by the Education Committee and now LB 140. The bill follows one of the options outlined by the committee's interim study, namely, the one way we could help out is to provide an incentive for savings through tax policy. We could provide that savings for the costs of college be exempt from taxable income, within reason. So that's what the bill would effect, effecting a savings plan allowing a parent to choose a form of investment. It's not as complex as it may seem. To do that, the bill allows that a specific account, an account that we style in a Nebraska college savings account can be opened at any bank, savings and