

above any investment that had taken place previous. So it had to be an injection of new capital, so to speak, into the business, and that the employees, the two employees that were added had to be new employees. It also clarifies secondly the investment that...with regard to the credit, how the credits could be taken and it explains the order in which they are taken. Now it's a very technical aspect there and it deals with the unrefundable credits and excludes the credits that were awarded under 775 from calculation into the 50 percent of the tax liability. So it is a very technical aspect of the amendment. Thirdly it provides that the credits will be distributed to the owner or owners of the business individually, and they have to be taken against their income tax return. They cannot be applied for a...with regard to a sales tax refund. In other words, the benefits are derived to those individual owners, they have to be taken on their income tax, they cannot get a sales tax refund. Fourthly, the committee amendments would provide that the investment, now follow this closely because it is interesting how we treat some of the smaller companies in relation to the larger companies, as 437 would have. Fourthly, provide that the investment and the employment, if they are not maintained, if they are not maintained the state would recapture one-third of the tax credits granted for two years for a maximum recapture of two-thirds of the credits. Okay? So in other words, if the small companies don't perform, we're going to get our money back, we're going to get our credits back. LB 437 would have at least required that jobs be maintained. Fifthly, the amendments change the way that the number of employees are counted. This is basically one of the principal issues that has been addressed through the introduction of these two bills. There has been confusion over whether or not it was actually two employees or three that were required. And if you look at the original draft of LB 270 I think that...and the interpretation of the department has taken on it, it has not actually been to employees, it's basically through the calculation method they have taken. It's amounted to really three that have been required. We would change that through the committee amendments, but at this time I would ask that the amendment to the committee amendments that I offer would be addressed because they deal with this specific issue, Mr. Clerk.

CLERK: Senator, I have an amendment to the committee amendments ahead of yours that is offered by Senator Labedz.