

SENATOR WARNER: Oh, Mr. President, there was some questions I'd like to talk about 84 if that's appropriate if you're waiting for an amendment.

SPEAKER BARRETT: That is certainly appropriate, yes.

SENATOR WARNER: My question...I raised the issue yesterday on 84, deals with the definition of a single economic unit and I guess I would refer to Senator Lamb, if he could perhaps now could expound what is included and I specifically would want to know the impact on partnerships, on subchapter S corporations which I know there is an exception for those specifically. I would need to know...I'm sure I will have constituents who will want to know the relationship to the limitation in ASC which deals...which has definitions as to what constitutes single management and to the extent that you could lay into the record clearly what is excluded and what is included I would find very helpful. So, Senator Lamb.

SPEAKER BARRETT: Senator Lamb.

SENATOR LAMB: Thank you, Mr. President and members, and, Senator Warner, I appreciate the fact that Senator Warner brought up this issue and I'm certainly no expert on it, but we have had a bit of time to explore the possible ramifications and as has been indicated, a taxpayer is defined to include single economic units as defined in Section 77-3734.04. Now that doesn't mean a lot to me and probably to most of you, but as I understand it, it really has to do with how you file your income tax and I'll read this statement that has been prepared by our staffs. This section begins our unitary corporate tax system. The provision of LB 84 essentially restricts rebates to units which have to file unitary tax returns and that's when we're talking about corporations. The first test for the Department of Revenue in administering the rebate program would be to check applications against tax returns filed. All corporations, including subchapter S corps. and all partnerships must file such returns even if no taxes are due and also nonprofits. Consequently each application should match up with a tax return. If it doesn't, either it is a part of another entity and not eligible or it is a new taxpayer or it has not been filed, filing returns as it should be. The internal revenue code is what is requiring these returns and in a sense will be helping to assure that single economic units do not get more than one rebate. If a farm is being operated as a partnership or as a