

SENATOR CROSBY: Time.

SENATOR LANDIS: ...and who have paid...am I the next speaker?

SENATOR CROSBY: Your light is next, Senator Landis.

SENATOR LANDIS: Thank you. Who are the next, since I am the next speaker, let me just go on to this situation. The State of Pennsylvania who has companies doing business in Nebraska and who are paying corporate income tax here, then use their reciprocity statute that requires the Nebraska-based companies to pay a tax that isn't even on the books in Pennsylvania. Now, not many states are doing this, but it may grow. Yes, a phenomena. What the Lindsay amendment says is Nebraska taxpayers or any corporate income taxpayer will pay the lower of the potential rates that might be struck, either the domestic income tax rate or the home state rate if they are doing business here. In other words, this amendment will make Nebraska companies not have to pay corporate income tax in Pennsylvania, and in return, Pennsylvania companies won't be paying corporate income tax in Nebraska, and that is our response so that only in the states that are taking this provision, and there is only one or two of them, will we have a reduction in our taxes for the present time. If all states move to it, we will have a greater reduction than what we have right now, but I don't expect it. Pennsylvania is a very rare exception. And it may be a growing trend, but it will provide no disincentive to form a company in Nebraska or out of Nebraska if we pass this amendment. It may form a slight disincentive not to form a company in Nebraska if we don't pass the amendment. Why? Because if you come to Nebraska, with its special corporate income tax law, you may be picking up not only the obligation of paying Nebraska but other states as well a tax which they do not otherwise exact from an insurance company. Why? Because you are in Nebraska. That's why the Lindsay amendment is good policy. It is why the Revenue Committee reported it out eight to nothing, and why it should be adopted to LB 300 this year, at this time, to make sure that Nebraska companies don't pick up a greater taxation in other states, thereby creating a disincentive for being here.

SENATOR CROSBY: Thank you, Senator Landis. Senator Beutler.

SENATOR BEUTLER: Senator Landis, I think I understand in part,