

that I answer this to the best of my ability.

SENATOR LYNCH: Well, the tax credit is that you don't have to pay taxes. That's what I assume. It relieves you of the responsibility of having to pay a tax. In this case, it's an income tax credit.

SENATOR BRASHEAR: You mean the employer, the employer?

SENATOR LYNCH: No, I'm talking about the employee.

SENATOR BRASHEAR: All right, so you're under the LB 829 methodology where the individual employee has an individual agreement; and under the statute the individual employee retains some rights as to how that...those monies will be spent.

SENATOR LYNCH: Under this bill that we're talking about now, tax credits and income tax credits are also an important and vital part of this bill I'd assume, aren't they?

SENATOR BRASHEAR: Yes. That's the methodology...

SENATOR LYNCH: Okay.

SENATOR BRASHEAR: ...for giving the benefit.

SENATOR LYNCH: Then I would assume that if in fact income tax credits are a part of this bill the income tax credit part that are part of this bill are probably no different than under any other bill because it's a federal tax system. So let's just talk about this bill. So if under this bill an income tax credit has been earned by an employee, not the employer, can they get that back independently, individually? And if they do get it back and it's a credit, that means if it's a tax they should have paid themselves because that's the credit that's taken by the employer, would that employee then have to pay tax on that credit?

SENATOR BRASHEAR: The employee would not have to pay tax on a credit, Senator Lynch, because you said we were talking about this bill, LB 1368. There is no credit to the employee under the 1368 methodology.

SENATOR LYNCH: Okay.