

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 22, 1999 LB 612

not an expert in this area, but I do have a very, very limited amount of knowledge in it. I think what Senator Baker is trying to do is to level a playing field a little bit where the judiciary, the judiciary, in their zeal, has not availed themselves of the flexibility that is available to them, and as indicated in cases that have went all the way to the State Supreme Court, that they have a different understanding of depreciation for nonincorporated sole proprietorship businesses than what they do of the rest of the income. I think he has a good bill and, if it is necessary to add to the guidelines that the court has to use, then so be it because the court has had a number of opportunities in the past years to adjust for this phenomena and has refused to do so. What is our responsibility here? To blindly go along with another branch of government, or to make those adjustments in the cases where those adjustments need to be made? You all have to answer that question. I don't have the answer to that. But in this case, I think this bill is brought to us by Senator Baker because the court, in its wisdom...the courts, with a plural, in their wisdom, haven't been able to recognize what depreciation actually is, which is a business expense and is not money in the pocket of the person who is being asked to provide income figures for the purposes of determining what child support is. I also believe that the only reason that Senator Baker, and he can speak for himself, that he included Section 179 is that because it is an optional depreciation mechanism that an individual proprietorship, sole proprietorship business could adjust their income on an annual basis by taking off business purchases in the year of purchase. I believe that he had the interest of...

SENATOR SCHIMEK: One minute.

SENATOR COORDSEN: ...of both sides in mind with this bill in that by adding back Section 179 he increases the...the available income for the purposes of the child support guidelines as well as...as provide...takes away the opportunity to "play games" with income statistics. So with that, I would urge your support or, at the very least, serious consideration of LB 612.

SENATOR SCHIMEK: Senator Kristensen, you are the next speaker, followed by Senator Baker.