

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

May 17, 1999

LB 382

say that the multiplier would be applied to employment, since it's in the current definition. Can you do that with me for the purpose of exploring what that would mean?

SENATOR RAIKES: Okay.

SENATOR CHAMBERS: Would we look at the amount of time that each worker spent actually working on this facility, and take the amount of income tax that person would have paid for having earned a certain amount while working on that facility? Or, will we take the entire amount of income tax that person earned during the taxable year?

SENATOR RAIKES: Well, I think you're correct in assuming that we want to get at an estimate of...of Nebraska income tax collected as a result of this facility. But I don't think it would be done on an individual-by-individual basis; rather, you take the entire project cost, \$200 million or whatever the number might be, multi...apply a multiplier to convert that to economic activity, and then apply the tax rates to that multiplied result, so that you would come up with a gross income tax number, which would include income tax paid, not only by employers or employees, but by suppliers of materials, contractors and so on.

SENATOR CHAMBERS: But you would have to break out the employment figure, based on this definition, in applying this multiplier. Is that true?

SENATOR RAIKES: Well, I...that's...that's correct, I think, the way it reads. I'm not sure that...well, I agree with you that...that the way this language is, is not consistent with the explanation I...I just gave you.

SENATOR CHAMBERS: But, if we struck that reference, in line 9, to, quote, employment at the eligible facility, then we would be left with "construction and spending by the participants", and would that comport with your explanation and what the committee understood was to be done?

SENATOR RAIKES: It...it would, Senator.