

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

January 12, 2000 LB 505

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Mr. Clerk, next item.

CLERK: Mr. President, believe LB 505 is before the body. It's a bill originally introduced by Senator Landis. (Read title.) The bill was reported to General File. Committee amendments have been adopted. Yesterday, Senator Landis offered AM2018. That amendment is currently pending, Mr. President. (AM2018, Legislative Journal page 235.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Members, if we can have your attention, you can now take your conversations off the floor of the Legislature. We will begin debate of LB 505. Senator Landis.

SENATOR LANDIS: Thank you, Mr. Lieutenant Governor. We're picking up where we left off yesterday on LB 505, and the day ended with two fiery speeches by Senator Tyson and Senator Engel, you might recall. Senator Tyson made the argument yesterday that using the tax code for social policy would have, as they called it, the law of unintended consequences and was doomed to failure. It's an argument that is really worth remembering this morning since apparently 34 of my colleagues have signed a bill with a tax credit for rural opportunities. Now why would we have 34 signatures on a bill for rural opportunities using the tax code to encourage creation of opportunity in rural Nebraska if Senator Tyson's argument was right, which is you can't make policy changes by the tax code, that's just a revenue gathering device, you want to set policy someplace else? Well, the 34 colleagues, that Senator Tyson apparently is telling them that they are doomed to the law of unintended consequences and failure, might also cast their mind back to LB 775, which is a piece of tax code manipulation for the very purposes of extending economic development in this state, and I guess that would be a mistake, as well, under that argument. Not only that, but the whole attempt to create the tax deductibility of the Roth IRA or the SEP IRA or the use of a 401(k) so that we could promote savings in this country. One of the things that we discovered in the eighties was Americans were terrible savers and that their retirement programs were in shambles. So we've created a couple of tax code manipulations to affect policy and now we are demonstrably better off on our