

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

January 18, 2000 LB 383

SENATOR JANSSEN: Thank you, Senator Cudaback, members of the Legislature. Listening to Senator Coordsen talk about LB 775. LB 775 has been very beneficial to at least my district, the eastern part of the state, and also for the farmers, if you want to look at what has happened to the Cargill plant in Blair, Nebraska, which has helped. Even though the markets are depressed on corn, it certainly has helped in eastern Nebraska and western Iowa, to raise the markets up there. Enough said about that. But there are a few questions that I would have for Senator Wickersham, that...if he would respond, please.

SENATOR CUDABACK: Senator Wickersham.

SENATOR WICKERSHAM: Yes.

SENATOR JANSSEN: Senator Wickersham, are other states using this same type of provision where you can use the money...the capital gains comes back to and is not taxable? Are they...are...you know, I don't expect you to know all those answers, but I know you know a lot of them. But if you could help me with that just a little.

SENATOR WICKERSHAM: Well, Senator, thank you for cautioning that I might not be able to respond for every state in the nation, and I can't. Some states, for example, have no income tax, so they have automatically 100 percent capital gains exclusion for everybody on everything. Some states, Arizona is an example where they have used their tax policy to attract retirees. And, as I understand, the state of Arizona's tax policy is whatever value you bring to that state when you move into the state, let's say you have shares of "XYZ" that are worth \$100, for purposes of their tax structure, that \$100 becomes your basis. And if it goes up to \$150, in that state you're only taxed on \$50. They have some tax on capital gains. I don't know that any state has the kind of provision that we have, Senator. I haven't asked that. But they run all over the place, a variety of capital gains exclusions. Some states have exclusions. The states that track the federal system have a...would have automatically a capital gains exclusion that amounts to about...in fact now a little over 50 percent of the value of capital gains.