

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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SENATOR JANSSEN: So then you're answering my...

SENATOR WICKERSHAM: There's a considerable variety.

SENATOR JANSSEN: You're answering my second question, too. The federal liability would be 50 percent.

SENATOR WICKERSHAM: Well, Senator, there used to be an old capital gains exclusion in the Internal Revenue Code. There is now a special federal rate that applies to capital gains, and it results in what would amount to slightly more than a 50 percent capital gains exclusion.

SENATOR JANSSEN: But we're...we are using 100 percent, is that right?

SENATOR WICKERSHAM: We are using 100 percent, except for whatever gets excluded under the provisions of this old law, and then that's none.

SENATOR JANSSEN: So we are giving 50 percent more exclusion than the federal government is doing, am I right?

SENATOR WICKERSHAM: Yes, yes, for some people,...

SENATOR JANSSEN: All right.

SENATOR WICKERSHAM: ...on some stock.

SENATOR JANSSEN: Now are the...I would imagine companies that own stock or retain stock within the company, are they also excluded in the company...when they file their returns?

SENATOR WICKERSHAM: Treasury stock?

SENATOR JANSSEN: No, no, no, no, no. The company owned stock, say if it's owned entirely by that company and not...

SENATOR WICKERSHAM: No, no.

SENATOR JANSSEN: ...that portion that goes to employees.