

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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pending. I also have an amendment to the committee amendments.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Matzke, would you like to take a few moments and bring us up to date on the basis of the bill, and then we'll recognize Senator Wickersham to talk briefly about the committee amendments. Then we'll move on the amendment to the committee amendments. Senator Matzke.

SENATOR MATZKE: Thank you, Mr. Lieutenant Governor and members of the Legislature. This bill we spent about an hour on it a few days ago, LB 936. It's the Rural Economic Opportunities Act. It is an incentive bill for the development of business in smaller counties. There is a distinction between this and LB 775. To qualify for LB 775, you have to have at least 30 new employees. This fits under that umbrella and is designed to address the 70 smaller counties of this state who have not really benefitted from LB 775. You can qualify under this bill with one new employee. The standard is one-half of 1 percent of the employment in a county. So it actually is addressed to the smaller counties where a business would only add between 1 and 30 employees. It provides, essentially, the same type of incentive, a credit equal to 5 percent of the increased payroll, and a credit of 10 percent for an investment, requires an investment of at least \$100,000 per each new employee. This credit is just against, and it's different than LB 775, because this credit is just a credit against corporate income tax. It does not contain a credit against the sales tax as LB 775 does. Now later in the discussion I'm going to pass out an analysis of...a comparison of these bills, but this is a bill that is primarily addressed at trying to close the gap between the metropolitan areas that have average wages up in the area of 28, 29 thousand dollars a year, with the smaller 70 counties where the average wages are about 8 to 10 thousand dollars per year less than that. It is an attempt to somewhat level the playing field and to build available employment in the smaller counties that have not benefitted from previous investment initiatives enacted by this Legislature. The Revenue Committee made certain changes in the committee amendments, the most notable of which is attaching a sunset to this bill in four years, but I will not go into the committee amendments because Senator Wickersham has escaped the great snowstorm of the west and has joined us. He