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SENATOR SCHROCK: Yeah, if I might engage Senator Raikes, he's...he was on the committee and I think understands the bill. Senator Raikes, the original bill would have said if they used that money in Nebraska the state would match that 10 percent. Can you give me a little reason why that provision was taken out of the bill?

SENATOR RAIKES: I think, Senator, that you had it correct, that the fiscal impact was the...was the main reason.

SENATOR CUDABACK: Senator Raikes, would you respond?

SENATOR RAIKES: I thought I just did.

SENATOR SCHROCK: Now...

SENATOR RAIKES: Yes.

SENATOR SCHROCK: ...as the...and help me out here, Senator Raikes. As the bill is written, I can invest \$2,000 a year for each of my grandchildren and I would not pay state income taxes on the interest that is earned on that money. Is that correct?

SENATOR RAIKES: Senator, I think the way it works now is that the money you contribute, and that's a minimum of I believe \$300 per beneficiary per year and the maximum is specified in Internal Revenue Service Code 529 or something, but whatever amount that you contribute you deduct that amount from both state and federal income tax as you put it in the program. As it comes out of the program, the principal and earnings are taxed at both the federal and state levels but, of course, they would be taxed...taxable to the beneficiary and, at least in your case, most any beneficiary would have a lower income tax rate than you do.

SENATOR SCHROCK: So you're saying the college student probably doesn't have a large income and their tax rate might be lower than most people not involved in agriculture.

SENATOR RAIKES: True.

SENATOR SCHROCK: Okay. Thank you, Senator Raikes. I think