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January 30, 2003 LB 281

SENATOR CUDABACK: Senator Landis, you're recognized to open on LB 281.

SENATOR LANDIS: Thank you, Senator Cudaback. This bill was originally conceived of by former Revenue Chair Bob Wickersham. We normally have to indicate, when we refer to federal law, what generation of federal law we are referring to. Or we leave it silent and the court tries to figure out what the state of the federal law was at the time that the bill was passed, or the time of the infraction that occasions the use of some federal law that is referred to in Nebraska statutes. The Internal Revenue Code is cited a number of times throughout our statutes. To the extent that the Internal Revenue Code is referenced in our income tax, we have a unique, special constitutional principle that applies. Our constitution authorizes our revenue system to refer to federal law. And because we have that constitutional delegation of power, when our state statutes refer to the Internal Revenue Code in our income tax section, it automatically updates itself as federal law changes. However, that constitutional provision runs out once you get beyond the income tax system. We make many references to the Internal Revenue Code in our retirement programs. And because of that, we need to set an effective date of what Internal Revenue Code iteration are we referring to when we have that in state statute. What Senator Wickersham started doing was to create date certain...dates certain, when you would be able to know what the federal rule was and its applicability to state law. We will be amending a section that says, when we refer to the IRS Code, we are referring to it as of April 20, 2002. This bill strikes that date, and says, upon the effective date of this act, so that for references to the Internal Revenue Code outside the income tax code, when state law refers to the Internal Revenue Code, they will be referring to the code on the day that this bill is passed. I would ask for the advancement of LB 281. We've done this once, maybe twice before. And it's a way of making sure that our internal state references to the IRS Code is making use of up-to-date, not worn out, old, obsolete, or provisions that have been replaced within the last year. I ask for the advancement of LB 281.

SENATOR CUDABACK: Thank you, Senator Landis. You've heard the