

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

February 19, 2003 LB 524

SENATOR MINES: Mr. Chairman, members, thank you for the opportunity. I bring this, LB 524, before the body on behalf of the Secretary of State. This bill would reduce paperwork for both the business community and the Secretary of State's Office by changing the corporate annual reporting to a biennial report rather than annual. The bill accomplishes two things. First, it helps businesses by allowing them to file biennially, thus cutting down their paperwork. And, secondly, it reduces the cost that the Secretary of State Office incurs trying to process these files every year. The Secretary of State's Office reports they spent over slightly over \$50,000 last year administering and processing the annual report, and this is just a little over \$25,000 was spent on printing and postage alone. Currently, there are 49,000 corporations that are registered with the Secretary of State's Office that must file annual reports. The occupation tax fee would be adjusted so the bill would be revenue neutral. The occupation taxes go to the State General Fund, and approximately \$6.4 million in 2002. Under this bill, they would collect an estimated \$12.8 million every other year. Currently, nonprofit organizations are required to file reports in every odd-numbered year. With that, I ask for your support of this bill and turn over the rest of my time to the Chair.

SENATOR CUDABACK: Thank you, Senator Mines. As stated, there are committee amendments offered by the Revenue Committee to LB 524. Chairman Landis, to open on those.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, the Revenue Committee advanced this bill 8 to 0 with an amendment. The original effective date of the bill would have meant that in the two-year cycle, the first year would be without the reporting. We would have gone without the reporting and we would have saved the \$50,000. And in the second year, we would have collected what would now be the double corporate occupation tax. By changing the effective date from January 1, 2005, to 2004, we start the cycle in exactly the opposite effect. In 2004, we will collect the double occupation tax; in 2005, we will not ask for the occupation tax. Which means that we will get the about \$12 million in 2004 and we will have the cash management advantage of holding that money and getting interest