

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

March 18, 2003      LB 608

would. And that's the difference. It doesn't create the jobs. It doesn't start it. It's not rich enough to start it. What happens is, you grow your natural growth, you do your business, you invest, you start a company, you expand a company, do exactly what's in your best interests and your bottom line. Excellent. Then, at the end of the year, we're going to give you a \$1,500 pat on the "popo." That's what happens here. There is no incentive power in LB 270. There is a reward factor. But it's also a reward factor that comes out of the state coffers that would have been there, and it shifts responsibility to other taxpayers. This does not create jobs. LB 775 does create jobs. It does. It doesn't create all the jobs for which we give the tax incentive for, but there's a serious body of economic growth that would not have occurred but for LB 775, and the reason is, it's rich enough to justify it. You get a LB 775 project, and you're looking at \$25 million of tax credits. That you will...that will change your business strategy. You'll think about 25 million bucks. You won't think about 1,500 bucks. This does not create jobs. In the context of this budget circumstance, with what we are doing, we have to be realistic enough to part with what is a nice idea, a pleasantry, and that which actually generates jobs. LB 775 generates jobs; LB 270 doesn't. This is money that in this context we can part with. That \$1,500, which is done at the end of the year, is more important than a Medicaid mom, or closing a class at the university? I don't think so. And I'll tell you why. There is absolutely no job-generating energy in LB 270. It is a...it's done after the fact. You don't make application for it. You don't make a commitment for it. What you do is you grow your job, and at the end of the year you put it on your tax form. In other words, it didn't motivate you to do this expansion. And we need to distinguish between incentives that work, and LB 775, and incentives like, in this case, LB 270, which rewards people...to that effect it works...but it does not genuinely "incent" people. It does not create jobs. And there isn't a serious economic development professional who will look you in the eye and say, you know what, I talked somebody into investing 75,000 bucks and adding two new employees so they could get \$1,500 at the end of the year. Because people aren't that stupid. They don't do it for that reason. And this is a reward, a bounty. But it doesn't produce jobs. Let's get