

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

May 19, 2003

LB 596

also called the bonus depreciation. And the add-back provisions which are in the bill have been amended by this. Because the provisions enacted last year to refer to both last year's federal legislation and the Jobs and Growth Tax Act of 2003, are brought into the add-back provisions drafted by this committee amendment. The later deduction of the amount of extra depreciation added back would be allowed for over five years, beginning in 2006. Because the additional bonus depreciation is addressed by amending language adopted last year, the committee amendment would strike the reference to the additional depreciation in the proposed new subsection of 77-2716. The new subsection will only add back any corporate incomes excluded under any federal law enacted after May 1, 2003. So where we've already anticipated, that will take effect; where we've not anticipated, the rule is as I've just said, add back accelerated depreciation. The second change in the committee amendments changed the standard deduction amounts to be set in the statute from the 2002 standard deductions, adjusted for inflation, to the 2003 standard deduction amounts. And those are...and then adjusting them again in 2004. The standard deduction in 2003 in the committee amendment would be \$4,750 for single taxpayers, \$7,000 for heads of household, \$7,950 for married filing jointly, and \$3,975 for married filing separately. In other words, we would keep the standard deductions at the 2003 level. And that would allow us then to save ourselves from the impact, the inadvertent impact of this federal tax law change. What remains unchanged is the billions of tax cuts that the federal government is doing. What we're cutting off is an unintended ripple consequence to the Nebraska revenue system. I would ask for the adoption of the Revenue Committee amendments.

SPEAKER BROMM: Thank you, Senator Landis. Senator Raikes, on the Revenue Committee amendments.

SENATOR RAIKES: Thank you, Mr. Speaker and members of the Legislature. Senator Landis, you mentioned several...well, I think three main components of this, one of which is depreciation add-back. This is a continuation of a federal tax change I think you said that occurred...we had some of this a year ago, or something, and we're talking about doing more of it. And please correct me if I'm wrong. The way that works is,