

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

February 25, 2004 LB 1049

employment taxes. They absolutely do not. This is a program totally funded by the employer, totally funded by the employer. So I wish you would consider that. And again, I strongly support Senator Louden's motion for reconsideration, and I support his amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Cunningham. Senator Baker.

SENATOR BAKER: Thank you, Senator Cudaback and members. And this is in regard to what Senator Bourne had to say. And I...from my vantage point back here, I think maybe Senator Bourne and I had ought to save our breath, because there weren't too many people listening about details and numbers. But I'm going to try a little bit more. And he could be exactly right with the \$1 million payroll. If that one person drew that \$1 million payroll, he used an example yesterday, granted, that company with \$1 million salary in there could be paying as little as \$133 per year. Is that a typical example of an employer in Nebraska? Absolutely not. More typical would be \$1 million payroll with employees averaging anywhere...well, all over the spectrum. We can use some examples. And we must understand, there's one given here that everybody must except, and that's, it's only the first \$7,000 of salary of wages that is subject to unemployment insurance costs to that employer. It's only the first \$7,000. I think everybody can agree on that. After you hit the \$7,000 threshold, there's no fiscal responsibility to pay into the unemployment fund for wages in excess of \$7,000 on an annual basis. So we also checked with the Department of Labor. And here again, some of these are maybe a moving target we're shooting at. But in 2003, what we got from Mr. Gary Zook, the unemployment insurance tax administrator, was the average rate in 2003 was 1.9 percent. This is only on the first \$7,000 of wages paid on an annual basis, 1.9 percent. There...you have to maintain a particular balance reserve for each business account. We were down, in our specific case, down to the minimum, which you'll see on Senator Beutler's chart, of half of 1 percent. It went up to 1.5 percent January 1 because we had no losses. But they were simply trying to replenish the amount of money in the fund. So we can make these numbers say about whatever we want, because