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LB 44

you are one of those then this has actually been a tax increase for you. I've received three e-mails and I'll just pull out some points of one of those. And, Senator Redfield, if I have any time left, I'll let you have it to respond: The above bill is a huge tax increase and a blow to affordable housing. This increase will not be offset by a token homestead exemption. Affordable housing in Lincoln has already been hit with a major blow with the creation of an impact fee. The overall home value has jumped by 5 percent in one year due to this increase, and will soon be reflected in our individual tax bases. Another letter says: I would ask that you address this tax problem in a different way. Changing the Nebraska income tax to no longer afford...allow a deduction for mortgage interest, as is presently done, is an income tax increase of \$64 million, plus, over the next two years. It shifts the burden to the new home buyer. The state does get more money, however. And then the third one: As a new homeowner, I am strongly opposed to LB 44. We purchased a home last May and have already paid approximately \$6,000 in interest and pay over \$1,200 a month for a mortgage payment. When we went to file our taxes, we found out we had to pay into the government because we didn't have enough to deduct. And that's what I'm saying. If you can use this mortgage interest as an expense, then you can already take that off your income. So, Senator Redfield, if you'd like to respond to any of that.

SENATOR CUDABACK: Thank you, Senator.

SENATOR REDFIELD: Senator Hudkins, you actually have explained very well why the standard deduction works for more...or, actually, more tax relief for a lot of our citizens, because if they're not high enough income or they don't have enough other items, they are not allowed to itemize and therefore the tax relief that we currently give benefits them not at all. And so this would allow them to get some tax relief when they're not able to itemize, or when, in fact, they don't have enough tax liability on the income tax side to actually be able to offset the credit. So you actually have illustrated for us some situations where it would be very helpful to people, because they would continue to get the relief in the standard deduction on the short form at the same time that they could receive the