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LB 312

SENATOR BEUTLER: Senator Landis, I notice on Section 1 you have a termination date of 2011 on the research develop...research provision. Do you feel strongly about that, or is there...

SENATOR CUDABACK: Senator Landis.

SENATOR BEUTLER: ...a particular reason?

SENATOR LANDIS: The research and development sales tax credit, I don't think, has a sunset. I believe the sunset applies to research and development projects that qualify under our new lower tier, which has a five-year sunset. Our two new tiers have five-year sunsets. Our goal there is to make sure we get a chance to see what the new tiers' utilizations are. This Legislature was surprised and stunned by the utilization of LB 775, given what we thought would happen. So, since we're creating new tiers and new opportunities, we've added sunsets--something that did not happen in LB 775, but did happen here.

SENATOR BEUTLER: Okay. The Section 1 research and experimental activities provision, that's different from the tier system, is it not? But I assume that the... that the sunset is there for the very same reason, perhaps.

SENATOR LANDIS: Apparently both the microenterprise...George reminds me, okay, that our general theory was new ideas had five-year sunsets. That did apply to the research tax credit and to the microenterprise. What our goal was...what the theory that we had was the Legislature the last time didn't set any sunsets, and we never heard back from the business community for 17 years. Only when you get sunsets do you have two-way conversations. Put in a five-year sunset and we'll all be back here doing this again, and we'll have a body of record, as to what we've spent and what we've got, to evaluate. That's why it's there.

SENATOR BEUTLER: Is there any value, since we've made such important changes to the basic LB 775 provisions, to a sunset on those existing provisions, now that they've been revised?