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May 17, 2005

LB 309, 312

SENATOR CUDABACK: Any objection? Seeing no objection, so ordered. Senator Connealy, to open on AM1608.

SENATOR CONNEALY: Thank you, Mr. President, members. This amendment was mentioned by Senator Landis at the beginning. This is a work of the committee to get the bill into shape and to resolve some outstanding issues with LB 312, and to get it into condition that the Department of Economic Development, the Revenue Department, and the business community could work with. None of these proposed changes would add, actually, any cost to LB 312. They are mostly clarifying and definitional changes. But there are, in a couple of cases, administrative changes to the past work we've had with LB 775. And these have been accepted by the committee, but are being eliminated now. Most of the significant changes include renaming of different sections into a package. The Employment Expansion and Investment Incentive Act, which is the old LB 608, that would be changed to the Nebraska Advantage Rural Development Act. The research and development tax credits would be changed to the Nebraska Advantage Research and Development Act. The microenterprise tax credit part of this bill, the LB 312...LB 309 part, would be changed to the Nebraska Advantage Microenterprise Tax Credit Act. These changes required the addition of many different sections and changes, so that's why it's a 28-page amendment. This will allow DED to have, you know, a named package that they can highlight in the years to come as they do economic development for this state. The amendment also would substantially rewrite the microenterprise part of that bill, as we make it more focused and narrow. We narrowed the investment portion to be only buildings and depreciable property. We excluded real estate and inventory. The amendment would also allow the credit to be received for increases in employment, defined as the increase of payroll over the year prior to application. And finally, the amendment would extend the prohibition for receiving the more than \$10,000 credit to related entities, as they're defined by the Internal Revenue Code, and close blood relatives of the taxpayer. The administrative changes contained in previous versions of LB 312, as amended, would be struck, and the amendment would strike the interdependent definition because we see that it probably is easier for the Department of Revenue to write rules and