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

May 18, 2005 LB 478

the federal government.

SENATOR JENSEN: Okay. They apply for this exemption. I guess what I'm really interested in is how does the state handle this then, and do we have a tracking system to know what our expenditures are, how many people are going to be applying for this, and so that we can see how this is working at some point in time, saying that this is our base year and how do we go from here.

SENATOR CORNETT: I'm going to refer that question to Senator Landis,...

SENATOR JENSEN: Okay.

SENATOR CORNETT: ...if...George was working out the technical amendments of who they would register with.

SENATOR CUDABACK: Did you wish to ask Senator Landis, Senator Jensen?

SENATOR JENSEN: Yes, if Senator Landis would reply, please.

SENATOR CUDABACK: Senator Landis, are you available?

SENATOR JENSEN: Senator Landis, my question was kind of the mechanics of how an individual who would apply for a position be hired. How does the state...does he apply then for an exemption with the state when he files his income tax, and then do we have also the mechanics within the Revenue Department to track that and to determine from a baseline of, say, 2005, how many are applying, what the cost of this is, and then should at a point later on either we expand it or contract it?

SENATOR LANDIS: Right. Fair question. Story is this. You...this becomes a general part of our tax code. If you qualify to use this, you would be able to access a Nebraska income tax form and make the appropriate exemption. You'd send it in with your check. In the event you were pulled out for an audit, you would have to demonstrate that what you represented is true. If you couldn't represent that it was...if you