

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

May 23, 2005

LB 28

allows such a person to receive a credit for such...for each organization of which it is a member. No matter how remote this possibility might be, this consideration outweighs the benefit of allowing the credit for those organizations since the allowance of the credit to an organization is to an organization with perpetual life. Section 6 grants a 20 percent credit for corporations. Again, since corporations have perpetual life, there's no reason to grant the credit for purposes of protecting the state from the transfer of wealth by generational inheritance, which I understood to be the rationale for the bill originally. No case has been made either to the committee or the Legislature as to why this is a necessary part of the bill for that original rationale. The fiscal note assumed that no corporations would take the credit because it would not be permitted if there is a federal deduction for the contribution. The federal deduction would be more valuable to a corporation than the credit provided by the bill. So, in sum, there is no reason to permit corporations to take the credit, both because it would be financially foolish to do so and because the allowance of the federal deduction does not serve in any way to...in any way the underlying intent of the bill. We have, as I said, community development tax credits. These were available to corporations, and let me tell you what they are available for. They are available for human services, medical services, physical facility, and neighborhood development services, recreational services or activities, or financial institutions purchasing shares of stock in a business development corporation, provided to provide debt and equity financing for business development, and they can apply for these credits as well. These credits exist because a local 501(c)(3) goes to Department of Economic Development and says, here's a community development project; authorize us to get some tax credits so that we can get local businesses to give us money for those purposes. They're narrow, they are community development, and they are locally done. If you want corporate money to build communities, expand the limit that's on that bill. Now, Ray Janssen expanded that limit earlier this year. He raised it from \$250,000 to \$350,000. I believe it came through...it might have come through the Banking, Commerce and Insurance Committee when it did, or maybe it came through the Revenue Committee. I can't exactly recall. But my point is this. If you want