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FLOOR DEBATE

May 25, 2005

LB 478

SENATOR CUDABACK: You've heard the motion to adopt the E & R amendments to LB 478. All in favor say aye. All opposed, nay. They are adopted.

CLERK: Mr. President, Senator Cornett would move to amend the bill with AM1690. (Legislative Journal page 1713.)

SENATOR CUDABACK: Senator Cornett, to open on AM1690 to LB 478.

SENATOR CORNETT: Thank you, Mr. President and members of the body. During General Reading, several questions were raised in regards to the language of the bill and the equal protection clause. First, the amendment addresses the language of the bill. Senator Chambers, during debate, brought up many valid points in regards to the wording. I have to thank him and the other colleagues for his insights. After debate, my staff and I sat down with the executive order signed by President Clinton on April 17, 1995, to ascertain exactly what could and couldn't be said in the language of the bill. This led to the amendment that I'm currently introducing. Let me read now how the bill will be worded with new language proposed in the amendment. For taxable years beginning or deemed to begin on or after January 1, 2005, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be modified to exclude the amount of income received as military retirement benefit resulting from services in the armed forces of the United States equal to one-half the amount of income earned as wages and salaries by the taxpayer who by nature of his or her duties must meet eligibility requirements for access to classified information if such wages and salaries are paid in Nebraska by an employer performing security classified work for the federal Department of Defense and qualified under 32 C.F.R. 155.1 through 155.6, to the extent that such wages and salaries exceed \$40,000 during the tax year. In order to receive the exclusion provided in this subsection, the taxpayer shall submit a certification, signed by the employer's facility security officer, that the employer has received authorization to perform classified work for the federal Department of Defense and that the taxpayer meets eligibility requirements for access to such classified information. The second question raised on the floor by Senator Chambers and Senator Beutler was the