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SENATOR CORNETT: Okay.

SENATOR CHAMBERS: Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Chambers. You've heard the opening on FA305, offered by Senator Chambers to the Cornett amendment, AM1690. On with discussion. Senator Landis.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. I think Senator Chambers' amendment makes perfect sense. I'm going to vote for it. But he used the time to talk about constitutionality. And it's an interesting issue. He raises some fair points. I want to give you a little bit of constitutional law with which to weigh this issue. Generally speaking, the courts take a deferential view to state legislatures about tax matters. That's the general practice. By the way, the Nebraska Supreme Court has only once handled a case on the Nebraska income tax, because people don't bring cases on the income tax, because the court at that time was challenged about the entire income tax system, from as many legal theories as could be used, when we went to an income tax. And the Supreme Court upheld our income tax right down the line. Why? Because our court does like other courts, and they defer to legislatures. Let me give you an example of that. Allied Stores of Ohio v. Bowers--this is the United States Supreme Court--stated, quote, the states have a very wide discretion in the laying of their taxes. When dealing with their proper domestic concerns and not trenching upon the prerogatives of the national government or violating to the guarantees of the federal constitution, the states have the attribute of sovereign powers in devising their fiscal systems to ensure revenue and to foster their local interests. They defer to state legislators. In Lehnhausen v. Lake Shore Auto Parts, the United States Court said, quote, the states have large leeway in making classifications and in drawing lines which, in their judgment, produce reasonable systems of taxation. Not in the court's decision, but in the state's decision, and essentially in the Legislature. When it comes to taxes on corporations and taxes on individuals, great leeway is permissible, so far as equal protection is concerned. That may be classified differently with respect to their right to receive or earned income. That's