

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

January 9, 2006 LB 542

commission on their own and discuss taxes there. I believe what Senator Burling is proposing before us is that we get those people together in one place, both legislators and citizens, and the executive branch together, to talk about the structure of taxes in this state. We often run out of time. We are facing this session a very limited amount of time in a short session, to look at a number of tax cut proposals. But many times when we look at either raising taxes or lowering taxes, we don't really have the time to debate and investigate the entire structure of the tax system in the state. Now clearly, in the Revenue Committee we spend a great deal of time talking about that, but that's a very limited number of eight legislators, and we always have a number of other things on our plate. So we need to talk about this with other groups, I believe, as well. What would happen if we'd had a commission like this in place, where they could be making recommendations to us as we were looking at tax cuts, and decide what might be the best avenue or the best pieces to incorporate. It might save us time in the Legislature in our debate, in our deliberations in the committees. It may give us some guidance. Legislators don't have to take that advice, but it's always helpful to have advice and to hear from those who are impacted by our decisions. As I've been looking at a number of the proposals, and the Governor is certainly asking for us to take very seriously an effort to cut taxes in the state of Nebraska, and I've been looking at the income tax piece and have introduced a bill. I have introduced a couple of other pieces for discussion purposes, the kinds of things that this commission might be talking about. And one of the pieces of information that I received from the Department of Revenue talked about, what if we had just had an inflation adjustment over the years for our brackets? Well, I found out that it was a very significant difference. If we were just talking about from 2003, when we last raised taxes in the state of Nebraska, we would actually find that those who file their returns under married, filing joint returns, that rather than being at the top tax bracket at \$46,750, in today's dollars, they should be at \$50,400; that a single individual today reaches the top bracket at \$26,500, the same bracket that we ask Warren Buffett to pay, and we call them rich in Nebraska when they make \$26,500 as a single individual. Well, if we'd had an inflation factor in place for our brackets over the last couple