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us, so I'm going to yield a portion of the introduction to her in a moment to explain that. The third idea which I will talk about is the earned income tax credit. It came from another separate bill, happened to be my own bill on that score, and the earned income tax credit doesn't go to every poor person. It goes to poor people that are working. It's an idea that both national parties has endorsed, and it's sort of a follow-up to the welfare reform program, where you want people to get into the work force. One of the difficulties we found was that as people leave public assistance, with its assistance for medical assistance and the like, it becomes more expensive to work than stay on public assistance. The earned income tax credit says this: Look, as you begin to earn money, we will give you a tax credit which is refundable. Whether you have income tax to take it against or not, we're going to send you a check. Now, we had originally introduced the idea with 20 percent. We reduced it to 8 percent, because that would be the amount of money that would match, essentially, the bracket change work that Senator Redfield will talk about. Three ideas: take out the "warts" for the high income, costs about \$13 million; move the brackets up so that we can stop or undo some of the bracket creep that's occurred, particularly for the middle class, that costs \$17 million; and create an 8 percent earned income tax credit for the working poor, and that will cost 17 million bucks. I would yield the remainder of my time to Senator Redfield to explain the brackets provision, because it is essentially the underlying bill that we've been building on for LB 968.

SENATOR CUDABACK: Thank you, Senator Landis. Senator Redfield, about 5 minutes.

SENATOR REDFIELD: Thank you, Mr. President. Members of the body, currently our brackets read as thus. Single: the second bracket goes up to \$17,000, and the third bracket \$26,500, and under the committee amendment those would raise to \$17,500 and \$27,000. The married filing joint: second bracket is currently at \$30,000, that would go to \$31,000; the third bracket would go from \$46,750 to \$50,000. The head of household I explained earlier when we had a little time to talk, would go from \$24,000 in bracket two to \$25,000, which is a \$1,000 increase right there because that's in fact where we see most of our struggling