

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB1000

Hearing Date: February 14, 2008

Committee On: Revenue

Introducer(s): (Pirsch)

Title: Change income tax calculations and property tax relief funding and transfer cash reserve funds

Roll Call Vote - Final Committee Action:

Indefinitely Postponed

Vote Results:

5 Yes	Senators Burling, Janssen, Langemeier, Preister and Raikes
0 No	
2 Absent	Senators Dierks and White
1 Present, not voting	Senator Cornett

Proponents:
Senator Pete Pirsch

Representing:
Introducer

Opponents:
None

Representing:

Neutral:
None

Representing:

Summary of purpose and/or change:

LB 1000 would have amended section 77-2715.02 to broaden the lowest individual income tax bracket for all filers as follows:

<i>Current</i>	<i>LB 1000, beginning January 1, 2008</i>	<i>Rate</i>
<i>Single –</i>		
<i>\$0 - \$2,400</i>	<i>\$0 - \$5,000</i>	<i>2.56%</i>
<i>\$2,401 - \$17,500</i>	<i>\$5,001 - \$17,500</i>	<i>3.49%</i>
<i>\$17,501 - \$27,000</i>	<i>\$17,501 - \$27,000</i>	<i>5.12%</i>
<i>\$27,001 and over</i>	<i>\$27,001 and over</i>	<i>6.84%</i>
<i>Joint –</i>		
<i>\$0 - \$4,800</i>	<i>\$0 - \$10,000</i>	<i>2.56%</i>
<i>\$4,801 - \$35,000</i>	<i>\$10,001 - \$35,000</i>	<i>3.49%</i>
<i>\$35,001 - \$54,000</i>	<i>\$35,001 - \$54,000</i>	<i>5.12%</i>
<i>\$54,001 and over</i>	<i>\$54,001 and over</i>	<i>6.84%</i>
<i>Head of Household –</i>		
<i>\$0 - \$4,500</i>	<i>\$0 - \$8,000</i>	<i>2.56%</i>
<i>\$4,501 - \$28,000</i>	<i>\$8,001 - \$28,000</i>	<i>3.49%</i>
<i>\$28,001 - \$40,000</i>	<i>\$28,001 - \$40,000</i>	<i>5.12%</i>
<i>\$40,001 and over</i>	<i>\$40,001 and over</i>	<i>6.84%</i>
<i>Estates and Trusts –</i>		
<i>\$0 - \$500</i>	<i>\$0 - \$1,000</i>	<i>2.56%</i>
<i>\$501 - \$4,700</i>	<i>\$1,001 - \$4,700</i>	<i>3.49%</i>
<i>\$4,701 - \$15,150</i>	<i>\$4,701 - \$15,150</i>	<i>5.12%</i>
<i>\$15,151 and over</i>	<i>\$15,151 and over</i>	<i>6.84%</i>

Married filing separate returns were the same as single returns.

As noted in the third column, there was no change in rates, only an expansion in the first bracket.

Section 2 would have amended section 77-4212, which is last year's property tax credit section, to increase the amount distributed to taxpayers as property tax credits for 2008 from \$115 million to \$215 million. This would have increased the credit for 2008 from an estimated eight cents per \$100 of valuation to sixteen. The additional \$100 million was to be supplied by an additional \$13 million from the General Fund and \$87 million from the Cash Reserve Fund.

In addition to the transfer from the Cash Reserve Fund for property tax credits, Section 3 would have also amended section 84-612 to transfer \$33 million from the Cash Reserve Fund to the General Fund by June 30, 2008, 2009, and 2010. The bill carried the emergency clause.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson