



**Hundredth Legislature - First Session - 2007**  
**Committee Statement**  
**LB 270**

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**Hearing Date:** January 25, 2007  
**Committee On:** Revenue

**Introducer(s):** (Johnson, 37)

**Title:** Exclude certain rural health loan repayments from income for income tax purposes

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**Roll Call Vote – Final Committee Action:**

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

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**Vote Results:**

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

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**Proponents:**

Senator Joel Johnson  
Marty Fattig

James Cavanaugh

**Representing:**

Introducer  
Rural Health Advisory Commission,  
Nebraska Hospital Association  
Creighton University

**Opponents:**

None

**Representing:**

**Neutral:**

None

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**Summary of purpose and/or changes:**

LB 270 would have amended section 77-2716 to grant an income tax exclusion for any amounts received to repay loans under the Rural Health Systems and Professional Incentive Act. This Act uses a state revolving fund to loan medical students funds for their medical education conditioned on a promise that if they practice in a rural area in Nebraska, the loan will be forgiven by the state. The loan forgiveness, if it occurs, constitutes taxable income to the former student under federal law and, therefore, is subject to state income tax also. LB 270 would have made the loan forgiveness state tax exempt.

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**Explanation of amendments, if any:**

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**Senator Ray Janssen, Chairperson**