

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

COMMITTEE STATEMENT

LB737

Hearing Date: January 31, 2008

Committee On: Revenue

Introducer(s): (Fulton)

Title: Provide income tax credits for returns filed claiming dependents eligible for assistance

Roll Call Vote - Final Committee Action:

Indefinitely Postponed

Vote Results:

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

Proponents:
Senator Tony Fulton, Introducer

Representing:
District 29

Opponents:
None

Representing:

Neutral:
None

Representing:

Summary of purpose and/or change:

LB 737 would have amended section 77-2715.07 to increase the child and dependent care tax credit to resident individuals in cases where a dependent is eligible for medical assistance under sections 68-1001 to 68-1008. This means the dependent is Medicaid eligible.

LB 737 would have provided that if the federal AGI is greater than \$29,000, and a dependent is eligible for medical assistance under sections 68-1001 to 68-1008, the credit was to be 100 percent of the federal credit. It was still nonrefundable. If federal AGI is \$29,000 or less and the taxpayer has such a dependent, the credit would have also been 100 percent of the federal credit but was refundable.

The bill also stated that the total amount of tax credits could not exceed \$1 million. If too much in credits was claimed, they were to be prorated.

The bill would have been operative for tax years beginning on or after January 1, 2008.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson