

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB309

Hearing Date: Thursday February 05, 2009
Committee On: Revenue
Introducer: Schilz
One Liner: Provide a capital gains exemption for sale of certain assets

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye: 8 Senators Cornett, Adams, Friend, Dierks, Hadley, Louden, Utter, White
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Ken Schilz
Tony Reed
Dean Weldon Sleight
Katie Zulkoski
Jim Otto
John Greer

Representing:

Introducer
Nebraska Farm Bureau
Nebraska College of Technical Agriculture
NE Dental Assn., NE Veterinary Medical Assn.
NE Retail Federation, NE Restaurant Assn.
Nebraska Cattlemen

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 309 would have allowed a taxpayer to subtract any net long-term capital gain for the sale of real property held for 10 years to a beginning farmer or a small business person.

LB 309 amended Section 77-2716 and provided that for taxable years beginning January 2010 that federal adjusted gross income or, for corporations and fiduciaries, federal taxable income would have been reduced by any net long-term capital gain from the sale of real property used in a business in which the taxpayer had materially participated for 10 years, which had been held for 10 years, or from the sale of business assets, which business the taxpayer had owned for a minimum of 10 years, to a beginning farmer or small business person.

LB 309 defined beginning farmer differently than Section 77-5209 of the Beginning Farmer Act and increased the net worth ceiling from \$200,000 to \$500,000. The definition also removed references to the Beginning Farmer Board.

Small business person was defined as an individual, partnership, limited liability company, or corporation headquartered in Nebraska that would have employed fewer than 10 employees and that will do business in a municipality, county, unincorporated area within a county, or census tract in Nebraska that has a) an unemployment rate which exceeds the statewide average unemployment rate, b) a per capita income below the statewide average per capita income, or c) had a population decrease between the two most decennial censuses.

Abbie Cornett, Chairperson