

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB386**

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**Hearing Date:** Friday March 20, 2009  
**Committee On:** Revenue  
**Introducer:** Pahls  
**One Liner:** Change and suspend sales tax exemptions, change collection fees, change tax rates, state intent relating to property tax relief

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**Roll Call Vote - Final Committee Action:**  
Indefinitely postponed

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

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**Proponents:**  
Senator Rich Pahls  
John S. McCollister

**Representing:**  
Introducer  
Himself

**Opponents:**  
Jim Cunningham  
Thomas O'Neill  
  
Kathy Siefken  
Ron Sedlacek  
Jay Rempe  
Shelley Sahling-Zart  
Phil Phillips  
Lynn Rex

**Representing:**  
Nebraska Catholic Conference  
Association of Independent Colleges & Universities of Nebraska  
Nebraska Grocery Industry Association  
Nebraska Chamber of Commerce  
Nebraska Farm Bureau Federation  
Nebraska Power Association  
Greater Omaha Chamber of Commerce  
League of Nebraska Municipalities

**Neutral:**  
Greg Lemon

**Representing:**  
Nebraska Tax Research Council

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

LB 386 would have eliminated all sales tax exemptions, suspended certain motor vehicle taxes and fees for a period of time, reduced the state sales tax rate for a period of time, altered the sales tax collection fee, and reduced the corporate income tax rate to zero. Property taxpayers were to receive a credit equal to their full liability under the bill for a period of time. The reduction in the taxes made by LB 386 was assumed to be paid for by the removal of exemptions in the sales tax code.

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