



One Hundred First Legislature - First Special Session - 2009
Introducer's Statement of Intent
LB 13

Chairperson: Abbie Cornett
Committee: Revenue
Date of Hearing: November 9, 2009

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 13 repeals sales tax exemptions for one year (January 1, 2010 to January 1, 2011). The exempt items would not be taxed at the current state 5.5% rate, but at a much lower rate of 0.65%. Cities would not get access to this revenue through their local sales taxes. The resulting revenue would be reserved for the state.

LB 13 proposes to decrease the \$334 million deficit to \$300 million, leaving only \$34 million to be cut from the budget or dealt with in some other way.

The state and city sales tax rates would remain the same on all other currently taxed items.

The bill would yield approximately \$300 million in one year.

Principal Introducer: _____
Senator Rich Pahls