

One Hundred Second Legislature - Second Session - 2012

Introducer's Statement of Intent

LB962

Chairperson: Senator Abbie Cornett

Committee: Revenue

Date of Hearing: February 03, 2012

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

LB 962 requires the Tax Rate Review Committee to append the Tax Expenditure Report to its annual report to the Legislature. The reports are currently available online and the bill continues that practice.

The Tax Expenditure Report is produced by the Department of Revenue, as required in statute. The report estimates the value of tax exemptions.

The Tax Rate Review Committee meets annually after the Legislature has adjourned to determine if state tax receipts match the level of appropriations adopted during the session. If receipts are lower than appropriations, the committee is directed by statute to notify the Governor whether a Special Session is necessary to adjust the budget or adjust tax rates.

LB 962 expands the committee's report by adding additional salient tax and budget information. Receipts may not be low because of inadequate tax rates or excessive budgeting. Receipts may be low because of exemptions enacted in the past session or in previous years.

The committee does its job well, but part of the picture is missing in its report. This bill makes the connections between the budget, tax rates, and tax exemptions without forcing anyone to any conclusions. The committee's report will give a clearer picture of what the Legislature faces when it approves a budget or adjusts tax rates.

Principal Introducer: _____

Senator Rich Pahls