

E AND R AMENDMENTS TO LB 613

Introduced by Murante, 49, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. The Legislature finds that the economy is
4 continually changing, requiring the need to continually review and
5 update the state tax laws. Furthermore, the Legislature finds that
6 state, county, and other local tax policies are interdependent
7 and that there are consequences that need to be studied when
8 adjustments are made to the state tax laws. The Tax Modernization
9 Committee's purpose is to review and study the state's tax laws,
10 including, but not limited to, sales and use taxes, income taxes,
11 property taxes, and other miscellaneous taxes and credits.

12 Sec. 2. The Tax Modernization Committee is created as
13 a special legislative committee. The committee shall comprise the
14 following individuals:

15 (1) The members of the Revenue Committee of the
16 Legislature;

17 (2) The chairperson of the Appropriations Committee of
18 the Legislature;

19 (3) The chairperson of the Health and Human Services
20 Committee of the Legislature;

21 (4) The chairperson of the Education Committee of the
22 Legislature;

23 (5) The chairperson of the Agriculture Committee of the

1 Legislature; and

2 (6) The chairperson of the Legislature's Planning
3 Committee.

4 Sec. 3. The chairperson of the Revenue Committee of the
5 Legislature shall serve as the chairperson of the Tax Modernization
6 Committee. The committee shall meet as often as necessary to
7 accomplish the objectives established in sections 1 to 7 of this
8 act. At least one meeting shall be held concurrently with a
9 meeting of the Legislative Council called by the chairperson of the
10 Executive Board of the Legislative Council for such purpose.

11 Sec. 4. The Tax Modernization Committee shall consider,
12 but not be limited to, the following six elements for successful
13 tax modernization:

14 (1) Fairness. In order to formulate an equitable system
15 of taxation, the committee shall review and analyze the tax burden
16 created by sales and use taxes, income taxes, property taxes,
17 and other miscellaneous taxes imposed on families, businesses, and
18 sectors of industry within the state;

19 (2) Competitiveness. Any modification of the tax system
20 should be designed to ensure that such modification in no way
21 impedes or restricts the state's ability to attract well paying
22 jobs and investment while keeping and protecting existing jobs and
23 businesses. The committee also shall review and analyze how the
24 state compares to other states with reference to taxes imposed on
25 businesses and identify ways to enhance business competitiveness;

26 (3) Simplicity and compliance. The tax system should
27 be easy to understand and comply with. The committee shall

1 formulate recommendations designed to ensure ease of compliance
2 for individuals and businesses and efficient administration by the
3 state;

4 (4) Stability. A stable tax system has revenue that is
5 relatively reliable over time and not subject to unpredictable
6 fluctuations. The committee shall not only address the stability
7 of Nebraska's current tax system but shall also ensure that any
8 recommended changes will maintain or improve stability;

9 (5) Adequacy. The tax modernization process should create
10 a tax system that provides adequate revenue to fund critical state
11 services. The tax structure should allow revenue to keep pace with
12 spending needs; and

13 (6) Complementary tax systems. Updating of the tax system
14 should address the interrelationships of tax systems within the
15 state revenue system as a whole.

16 Sec. 5. The Legislature finds that community discourse
17 and involvement is essential to the success of the Tax
18 Modernization Committee. The committee shall engage the public in
19 a variety of ways.

20 Sec. 6. The Tax Modernization Committee shall examine
21 previous studies, including, but not limited to, the Tax Policy
22 Reform Commission from 2005 to 2007 and the comprehensive tax
23 study done by Syracuse University from 1986 to 1988, and ascertain
24 which recommendations from such studies can be utilized in the
25 committee's research. The committee may require any state agency
26 or political subdivision to provide information relevant to the
27 committee's work, and the state agency or political subdivision

1 shall provide the information requested within thirty days after
2 the request. The committee may hold public hearings and, pursuant
3 to section 50-406 and the Rules of the Nebraska Unicameral
4 Legislature, may exercise its authority to administer oaths, issue
5 subpoenas, compel attendance of witnesses and the production of
6 documents, and cause depositions of witnesses to be taken in the
7 manner prescribed by law for taking depositions in civil actions
8 in the district court. The committee shall issue a report to the
9 Executive Board of the Legislative Council and the Governor by
10 December 15, 2013, containing any recommendations to update state,
11 county, and local tax policies and corresponding proposed language
12 for legislation. The report submitted to the Legislature shall be
13 submitted electronically. The committee shall also identify areas
14 of concern that require further indepth analysis and study.

15 Sec. 7. Once the report required under section 6 of
16 this act has been submitted, the Tax Modernization Committee shall
17 continue meeting as necessary until December 31, 2015.

18 Sec. 8. Since an emergency exists, this act takes effect
19 when passed and approved according to law.

20 2. On page 1, strike beginning with "create" in line
21 1 through line 3 and insert "state findings; to create the Tax
22 Modernization Committee; to provide powers and duties; to require a
23 report; and to declare an emergency."