ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB33

Hearing Date: Wednesday January 23, 2013
Committee On: Revenue
Introducer: Hadley
One Liner: Change and eliminate certain revenue laws and authorize agreements relating to tax collection

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	8	Senators Hadley, Hansen, Harr, Janssen, McCoy, Pirsch, Schumacher, Sullivan
Nay:		
Absent:		
Present Not Voting:		

Proponents:	**Representing:**
Senator Galen Hadley	Introducer
Doug Ewald	NE Dept. of Revenue

Opponents:	**Representing:**

Neutral:	**Representing:**
Bob Hallstrom	NE Bankers Assoc.

Summary of purpose and/or changes:
Section 1: Creates a new statutory section to allow the Tax Commissioner to contract with financial institutions in Nebraska to levy against real and personal property of delinquent taxpayers.

Section 2: Eliminates the check off on tax returns for contributions to the Campaign Finance Limitation Cash Fund.

Section 3: Amends various provisions for tax liens issued by the Tax Commissioner.

The Tax Commissioner is currently authorized to file a lien with the appropriate official within three (3) years of assessment. Under the bill, if there is an agreement between the taxpayer and the commissioner to extend the payment due date, the lien may be filed within one (1) year of expiration of the agreement, whichever is later.

If the lien has not been filed with the appropriate official, the lien currently expires three (3) years from the time of assessment. New language provides liens may also expire within one (1) year after expiration of such an agreement with the commissioner, whichever is later.

Makes appropriate revisions to the relevant time periods for the commissioner to file a lien in the federal courts or the District of Columbia courts (e.g. U.S. Tax Court).

Section 4: Makes appropriate revisions to the relevant time periods for the commissioner to file an action in state or federal court to collect the delinquent amount.

Section 5: Amends various provisions to execute liens by adding financial institutions as authorized under the new statutory section.

Section 6: Amends the Tobacco Products Tax Act to allow imposition of a new 25 percent penalty, in addition to the existing interest, on any tax imposed under the Act which is delinquent. In addition to the new penalty, an additional 25 percent penalty is imposed in cases of fraud.

Section 7 and 8: Repeal the appropriate statutory sections.

Explanation of amendments:
AM271 makes two changes to the new language on page 3, lines 8-10 and on page 4, line 1.

According to the Department, striking "to extend the time period" removes a potentially confusing phrase. Striking "may be" and inserting "is" also clarifies that the tax is officially delinquent, due and payable, and subject to levy.

The second change adds a reporting requirement for the tax commissioner, as he has stated the new language is limited to a pilot program. It also strikes "real" and limits the application of the program to personal property only.

Galen Hadley, Chairperson