

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB613

Hearing Date: Tuesday February 19, 2013
Committee On: Executive Board
Introducer: Schumacher
One Liner: Create the Tax Modernization Commission

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

Vote Results:

Aye: 9 Senators Adams, Avery, Campbell, Chambers, Christensen, Karpisek, Krist, Lathrop, Wightman
Nay:
Absent:
Present Not Voting:

Proponents:

Senator Paul Schumacher
Senator Galen Hadley
Bruce Rieker
Jason Hayes
Renee Fry
Loran Schmit
Jon Bailey
Anne Hindery
Becky Gould
Kelsey Liddy

Representing:

Introducer
Legislative District 37
Nebraska Hospital Association
Nebraska State Education Association
Open Sky Policy Association
Association of Nebraska Ethanol Producers
Center of Rural Affairs
Nonprofit Association of the Midlands
Nebraska Appleseed
Center for People in Need

Opponents:

Representing:

Neutral:

John Boellstorff

Representing:

Self

Summary of purpose and/or changes:

LB 613 creates the Tax Modernization Commission. The commission would include: The Speaker, the chairpersons and vice chairpersons of the Revenue and Appropriations Committees, the chairpersons of the Education and Planning Committees. The Tax Commissioner, the Property Tax Administrator, the Legislative Fiscal Analyst, and two academic tax experts employed by a Nebraska university would serve as ex officio members. The Commission would be chaired by the chairperson of the Revenue Committee. The commission would meet at least bimonthly, with one meeting to be held concurrently with a meeting of the Legislative Council. Once the final report is issued, the commission would only be required to meet once per year.

The Tax Modernization Commission would consider, at a minimum, the following elements for successful tax modernization:

Fairness;

Competitiveness;
Simplicity & Compliance;
Stability;
Adequacy; and
Complementary tax systems.

The Commission would be required to hold hearings throughout the state, solicit input from Internet based solutions, and hold a tax summit.

The Commission could request information from any state agency or political subdivision relevant to its work, and the state agency or political subdivision would be required to provide the information requested within 30 days.

A preliminary report would be issued by December 15, 2013 and a final report by November 15, 2014. The report would contain recommendations and proposed language for legislation, and identify areas of concern that require in-depth analysis and study before implementation.

Explanation of amendments:

The committee amendment strikes all original sections, and proposes the following:

Section 1

The intent language is amended by striking the following language from the original bill: "After a decade-long state structural deficit, the Legislature also finds that a tax modernization commission, whose purpose is to modernize and align Nebraska's tax law with a twenty-first century economy, is essential to Nebraska's prosperity." New language is added stating that the committee's purpose is to "review and study Nebraska's tax law, including, but not limited to, sales and use taxes, income taxes, property taxes, and other miscellaneous taxes and credits."

Section 2

The Tax Modernization Committee would be a special legislative committee. The committee would be composed of:

All members of the Revenue Committee;
The chairperson of the Appropriations Committee;
The chairperson of the Health & Human Services Committee;
The chairperson of the Education Committee;
The chairperson of the Agriculture Committee; and
The chairperson of the Planning Committee

Section 3

The chairperson of the Revenue Committee would serve as the chairperson of the Tax Modernization Committee. The committee is to meet "as often as necessary," with one meeting required to be held concurrently with a meeting of the Legislative Council, "called by the chairperson of the Executive Board... for such purpose."

Section 4

The elements that the committee shall consider for successful tax modernization are the same in the committee amendment as in the original bill, except that subsection (1) regarding fairness includes language requiring that the committee review the tax burden for sales and use taxes, income taxes, property taxes and miscellaneous taxes of different tax payers.

Section 5

The committee amendment strikes the specific requirements on how the public will be engaged as part of the community input process.

Section 6

The committee amendment adds language regarding the ability of the Tax Modernization Committee to administer oaths, issue subpoenas, compel attendance of witnesses, production of documents, and depositions of witnesses, as authorized by statute and legislative rule.

A report is to be issued to the Executive Board and the Governor by December 15, 2013, which is to include "recommendations to update state, county, and local tax policies and corresponding proposed language for legislation."

Section 7

The committee shall continue to meet as necessary until December 31, 2015.

Section 8

Emergency clause.

John Wightman, Chairperson