

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB559

Hearing Date: Wednesday March 04, 2015
Committee On: Revenue
Introducer: Schumacher
One Liner: Change provisions relating to the treatment of tax credits under the New Markets Job Growth Investment Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Brasch, Gloor, Harr, Scheer, Schumacher, Smith, Sullivan
Nay:		
Absent:	1	Senator Davis
Present Not Voting:		

Verbal Testimony:

Proponents:

Senator Paul Schumacher
Jason Maus
Shane McCarthy
Ron Sedlacek

Representing:

Introducer
Stinson Leonard Street, LLP.
Enhanced Capital
Nebraska Chamber of Commerce

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB559 proposes an amendment to the New Markets Job Growth Investment Act. As the New Markets Act is currently drafted and interpreted, a taxpayer is not entitled to a tax credit for insurance premium taxes paid under Section 77-2734.03(1) if it uses a new market tax credit to reduce its premium tax liability. Current law presents a technical problem with the statutory construction of the credit, preventing the credit from being used against insurance premium tax under certain circumstances. This result is contrary to legislative intent and the spirit of Nebraska's New Markets program, limits the investors in the program and inconsistent with the treatment afforded new market tax credits for premium taxpayers in other states. LB559 proposes a simple amendment to Section 77-1113, which would clarify that the application of a new market tax credit against the premium tax is treated as a payment of the underlying tax for purposes of Section 77-2734.03(1).

Mike Gloor, Chairperson