

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB756

Hearing Date: Wednesday January 20, 2016
Committee On: Revenue
Introducer: Legislative Performance Audit
One Liner: Terminate the Nebraska long-term care savings plan

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

Vote Results:

Aye: 8 Senators Brasch, Davis, Gloor, Harr, Scheer, Schumacher, Smith, Sullivan
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Dan Watermeier
Don Stenberg
Mark Intermill

Representing:

Introducer
Nebraska State Treasurer
American Association of Retired Persons

Opponents:

Galen Ullstrom

Representing:

Mutual of Omaha

Neutral:

Martha Carter
Kent Rogert
Mick Mines

Representing:

Korby Gilbertson

Legislative Performance Auditor
Leading Age Nebraska
The Association of Insurance and Financial Advisors-Nebraska
Nebraska Association of Health Underwriters, Nebraska Health Care Association

Summary of purpose and/or changes:

LB 756 is intended to implement recommendations of the Legislative Performance Audit Committee in its 2015 performance audit report on the Long-Term Care Savings Plan. LB 756 would eliminate the Long-Term Care Savings Plan. In order to eliminate the program with the smallest possible impact on program participants, the bill phases out the program for those who wish to continue using their account funds for qualified long-term care expenses. Participants may continue to make qualified withdrawals until their accounts are depleted. Those who seek to withdraw the entirety of their account will have to pay taxes on the amount previously untaxed.

Explanation of amendments:

The amendment becomes the bill. It extends the termination date of the Long Term Care Savings Plan Act until January 1, 2018. It allows the deduction against AGI to be claimed for tax years beginning or deemed to begin before January 1, 2018 and requires an add back to AGI for unapproved withdrawals for tax years beginning or deemed to begin before

January 1, 2018. It retains the E Clause.

Mike Gloor, Chairperson