

# ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016

## COMMITTEE STATEMENT

### LB889

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**Hearing Date:** Wednesday February 03, 2016  
**Committee On:** Revenue  
**Introducer:** Mello  
**One Liner:** Adopt the School Readiness Tax Credit Act

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**Roll Call Vote - Final Committee Action:**

Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Davis, Brasch, Gloor, Harr, Scheer, Schumacher, Smith, Sullivan

**Nay:**

**Absent:**

**Present Not Voting:**

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**Verbal Testimony:**

**Proponents:**

Senator Heath Mello  
Sarah Ann Kotchian  
Dr. Geoffrey Nagle  
Tracy Gordon

Susan Sarver  
Jen Goettemoeller

**Opponents:**

**Neutral:**

**Representing:**

Introducer  
Holland's Children Movement  
Erikson Institute  
Nebraska Association for Education of Young Children, Inc.  
Buffet Early Childhood Institute  
First Five Nebraska

**Representing:**

**Representing:**

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**Summary of purpose and/or changes:**

The School Readiness Tax Credit Act would create a series of tiered tax credits relating to early childhood education. LB 889 proposes 4 categories of credits that would become effective on or after January 1, 2017: a credit for parents, a credit for early childhood programs, a credit for the early childhood workforce, and a credit for businesses that support eligible programs.

The tax credits in LB 889 would be directly aligned with Nebraska's Step Up to Quality program that is administered by the Nebraska Department of Education in coordination with the Nebraska Department of Health and Human Services.

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**Explanation of amendments:**

The amendment becomes the bill. It removes both the business expense credit and the individual (parent) credit. It changes the staff credit by reducing the credit amounts, inserting a "floor" or starting point for eligibility based on a minimum certification and by excluding certificated teaching and administrative staff from the definition of eligible staff so as to exclude school district staff.

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It changes the program credit by reducing the credit amounts, eliminating eligibility for Step 2 programs and adds "or operates" to the definition of child care and education providers to include nonprofit child care and education providers.

A five year sunset is imposed on the credits along with a \$5 million annual cap and makes the provider credit nonrefundable.

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Mike Gloor, Chairperson