

# **One Hundred Fourth Legislature - First Session - 2015**

## **Introducer's Statement of Intent**

### **LB613**

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**Chairman: Senator Mike Gloor**

**Committee: Revenue**

**Date of Hearing: March 18, 2015**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Over the last several years there has been increased discussion between the states and the federal government regarding the estimated loss of state sales tax revenue to online out-of-state purchases that do not collect and remit sales tax for other states. Many elected officials in congress are looking at passing a law that would address this issue in what is called the Market Place Fairness Act.

Legislative Bill 613 proactively puts a tax policy in place for the State of Nebraska regarding what to do with the potential increase in sales tax revenue if Congress were to enact the Market Place Fairness Act, expanding the authority of states to require the collection and remittance of sales taxes from interstate online purchases by residents of their state.

The bill would require the Nebraska Department of Revenue to determine the amount of additional sales tax revenue collected in the first 12 months after such federal law takes effect, and lower our state's individual income tax rates by half of the additional amount determined by the Department of Revenue. The other half of the additional sales tax revenue would be credited to the Property Tax Credit Cash Fund.

LB613 would protect the taxpayer by balancing the overall net tax revenue by decreasing individual income tax rates to offset additional sales tax revenue, and by giving back the rest of the increased revenue to tax payers through property tax relief.

**Principal Introducer:** \_\_\_\_\_

**Senator Bill Kintner**