

AMENDMENTS TO LB331

Introduced by Stinner, 48.

1 1. Insert the following new sections:

2 Sec. 19. Section 77-2715.01, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 77-2715.01 (1)(a) Commencing in 1987 the Legislature shall set the
5 rates for the income tax imposed by section 77-2715 and the rate of the
6 sales tax imposed by subsection (1) of section 77-2703. For taxable years
7 beginning or deemed to begin before January 1, 2013, the rate of the
8 income tax set by the Legislature shall be considered the primary rate
9 for establishing the tax rate schedules used to compute the tax.

10 (b) The Legislature shall set the rates of the sales tax and income
11 tax so that the estimated funds available plus estimated receipts from
12 the sales, use, income, and franchise taxes will be not less than three
13 percent nor more than seven percent in excess of the appropriations and
14 express obligations for the biennium for which the appropriations are
15 made, except that for the biennium ending June 30, 2019, the percentage
16 shall not be less than two percent nor more than seven percent. The
17 purpose of this subdivision is to insure that there shall be maintained
18 in the state treasury an adequate General Fund balance, considering cash
19 flow, to meet the appropriations and express obligations of the state.

20 (c) For purposes of this section, express obligation shall mean an
21 obligation which has fiscal impact identifiable by a sum certain or by an
22 established percentage or other determinative factor or factors.

23 (2) The Speaker of the Legislature and the chairpersons of the
24 Legislature's Executive Board, Revenue Committee, and Appropriations
25 Committee shall constitute a committee to be known as the Tax Rate Review
26 Committee. The Tax Rate Review Committee shall meet with the Tax
27 Commissioner within ten days after July 15 and November 15 of each year

1 and shall determine whether the rates for sales tax and income tax should
2 be changed. In making such determination the committee shall recalculate
3 the requirements pursuant to the formula set forth in subsection (1) of
4 this section, taking into consideration the appropriations and express
5 obligations for any session, all miscellaneous claims, deficiency bills,
6 and all emergency appropriations. The committee shall prepare an annual
7 report of its determinations under this section. The committee shall
8 submit such report electronically to the Legislature and shall append the
9 tax expenditure report required under section 77-382 and the revenue
10 volatility report required under section 50-419.02.

11 In the event it is determined by a majority vote of the committee
12 that the rates must be changed as a result of a regular or special
13 session or as a result of a change in the Internal Revenue Code of 1986
14 and amendments thereto, other provisions of the laws of the United States
15 relating to federal income taxes, and the rules and regulations issued
16 under such laws, the committee shall petition the Governor to call a
17 special session of the Legislature to make whatever rate changes may be
18 necessary.

19 Sec. 20. Section 81-125.01, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 81-125.01 The Governor, when preparing the budget provided for in
22 section 81-125, and the Legislature, when preparing its proposed budget,
23 shall include a reserve requirement, calculated pursuant to subsection
24 (1) of section 77-2715.01, of not less than three percent of the
25 appropriations included in such budget, except that for the biennium
26 ending June 30, 2019, the percentage shall not be less than two percent.

27 2. On page 17, line 31, after the third comma insert "81-125.01,".

28 3. On page 18, line 2, strike "and" and after "72-2211," insert "and
29 77-2715.01,".

30 4. Renumber the remaining sections accordingly.