

ONE HUNDRED SIXTH LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 161

Introduced by Legislative Performance Audit Committee: Geist, 25, Chairperson; Friesen, 34; Scheer, 19; Stinner, 48.

PURPOSE: The purpose of this interim study is to examine policy issues revealed during a performance audit of the Nebraska Advantage Microenterprise Tax Credit Act. The Legislative Performance Audit Committee recommended the introduction of an interim study to fully explore, and propose solutions to, administrative and compliance difficulties caused by design and definitional issues.

The office of Legislative Audit reported that, according to the Department of Revenue, compared to other incentive programs administered by the Department of Revenue, aspects of the Nebraska Advantage Microenterprise Tax Credit Act increase the risk that participants receive credit for activities not intended by the Legislature, make the program more difficult to administer, and make it difficult to comply with program requirements.

The issues addressed by this interim study shall include, but not be limited to:

- (1) Potential limitations of transactions that generate credit under the act but were not intended by the Legislature to do so;
- (2) Difficulties for taxpayers and department staff raised by terms within the act that are not clearly defined; and
- (3) Taxpayer compliance burdens.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SIXTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.
2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council

or Legislature.