

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 29, 2023

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-second day of the One Hundred Eighth Legislature, First Session. Our chaplain for today is Senior Pastor Tom Barnes from Minden Evangelical Free Church in Minden, Nebraska, Senator Steve Halloran's district. Please rise.

PASTOR BARNES: Let us pray. Sovereign Lord, on this new day, with all the challenges that stand before these, the leaders of our beloved state, we thank and praise you that you are the God who gives the expectation of good for these 93 counties as well as our nation and our world. I pray that you would help each of these senators to have hope in you. And because of this hope from you, may they have the courage and the strength to accomplish hard task and to make difficult decisions. Fill them each moment with your joy and peace as they look to you and as they rest in your almighty hand that they will overflow with the certainty that their labor is never in vain. And we pray all of this in the name of our Lord and our Redeemer. Amen.

ARCH: Our Pledge of Allegiance will be led this morning by Sergeant Gregory R. Holloway, 1st Cavalry Division from-- Army, from Bee, Nebraska, Senator Jana Hughes's district.

SERGEANT HOLLOWAY: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

ARCH: Thank you. I call to order the fifty-second day of the One Hundred Eighth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: There's a quorum present, Mr. President.

ARCH: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: There are no corrections this morning.

ARCH: Thank you. Are there any messages, reports or announcements?

CLERK: There are none this morning, Mr. President.

ARCH: Senator Machaela Cavanaugh, you are recognized for a point of personal privilege.

M. CAVANAUGH: Thank you, Mr. President. Good morning, co-- good morning, colleagues. Today is National Vietnam War Veterans Day. And

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as a Legislature, we wanted to thank our Chief Sergeant at Arms, Burdette Burkhart, for his incredible service to our country. Burdette enlisted in the United States Navy and began his military service in 1969. He served the Navy Seabees Brigade, Brigade near the ancient city of Hue, Vietnam at Port Hueneme. He was also stationed in San Diego, Midway Island, California and other parts of Vietnam. Following his service in the Navy, Burdette served for 30 years in the Nebraska Air National Guard and retired as senior master sergeant. He also received the Meritorious Service Medal following his retirement. Burdette then served his community by working in the Lincoln Police Department for 25 years. Burdette helped those outside of the United States when he worked for the United Nations in Bosnia and Herzegovina. He also worked for the Organization for Security and Cooperation in Europe and monitored free and fair elections in eight different countries. Burdette serves as Sergeant at Arms with the Nebraska Legislature from 2015-2021 and became Chief Sergeant at Arms in 2022. Burdette and his wife, Consuelo, have been married for 39 years and have one son, Erik. We thank Burdette for his incredible service to his community, state and country. Thank you. And I hope you all join me in applause.

ARCH: Senator Vargas would like to introduce our doctor for the day, Dr. Theresa Hatcher of Omaha, sitting under the balcony. I also would like to introduce a guest from Senator Halloran's district. It's Karen Barnes, the wife of Pastor Tom Barnes, who is our chaplain for the day. Welcome. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR64, LR65, LR66, LR67, LR68 and LR69. Mr. Clerk, we'll now proceed to the first item on the agenda.

CLERK: Mr. President, first item on the agenda: LB376. There are E&R amendments pending in addition to an amendment to the E&R amendments. Mr. President, to that end, Senator Hunt would move to bracket LB376 until June 2, 2023.

ARCH: Senator Lowe, we'll give you one minute to refresh us on LB376.

LOWE: Thank you, Mr. Speaker. LB376 was brought on behalf of the Liquor Control Commission. It is-- the original bill, LB376, is to set fees by the commission that are not to exceed \$30 for the establishment of a-- to, to more accurately track and identify alcoholic products being imported into Nebraska for taxation purposes. In it is also LB259, which is a farm winery, so that they are able to sell beer and other liquor that is not produced on the farm; LB377, which adds up to 12 special designated liquor licenses per year for

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nonprofit entities; LB596 clarifies the Liquor Control Act
[INAUDIBLE]--

ARCH: Time, Senator Lowe.

LOWE: Thank you.

ARCH: Senator Hunt, you're recognized to open on your motion.

HUNT: Thank you, Mr. President and Mr. Speaker, Speaker Arch. I remember being a little bit-- "bummed" is probably too strong of a word, but kind of like, "aw," when I met with Speaker Arch before the session started. I made an attempt-- it didn't work with all of you with scheduling, but I tried to meet with all of you before the session started and talk about what our shared goals were for this session. I, I made it clear to a lot of you-- and, and Speaker Arch and I talked about this explicitly too, that my priority this session was to block an abortion ban. And I knew that with this body, that would be really difficult, near impossible, even though-- similar to the ban on trans healthcare, there were many of you, more than 33 of you-- or, how would that work?-- more than 17 of you that do oppose these bans on healthcare. I might ask you ladies to go have a conversation away from me. Thank you. So we're in a position, you know, here in the Legislature where even though we certainly have the votes if you were voting your conscience, if you were voting in terms of what you actually know about these bans on healthcare, whether it's reproductive healthcare, whether it's a ban on trans healthcare and-- of course those things are completely related. Those are part and parcel of the same radical agenda to take away bodily autonomy for people in the state, when what they're really saying matters to them are things like the economy, things like access to services, things like funding for schools and special education and things like that. And those are all things that we would certainly be working on if one of you had been not voting last Thursday. So, again, these are terms that were made explicitly clear for weeks and weeks and weeks. And-- so if you want to ask yourself, why are we here? It's not on me. It's not on anyone in this body except those who voted to advance a ban on healthcare last week. For this bill, LB376, I introduced an amendment to the E&R amendment that would remove the \$30 limitation on fees because we know that the Liquor Control Commission wanted this bill, and it was brought on their behalf to enable more accountability and make it easier for them to accurately handle alcoholic imports to the state from other states. And my feeling was perhaps that we shouldn't arbitrarily limit whatever the appropriate fee is for them to do that work. On the other hand, having served in General Affairs for two

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years-- in the committee that this came out of-- I know that lots of work probably went into this bill, lots of testimony. And then on the other other hand, if I had three hands, I would say, judging from how the session is going and how my experiences have been in other committees, probably very little work went into this bill. But again, not being on the committee, I don't really know. But that's what my amendment does. And then what this motion does is bracket the bill, and we'll take a vote on that in a couple hours, most likely. Yesterday, we passed a rules change in this body without any public hearing, without any accountability from the second house, to make it so that only one of each kind of a couple of motions can be introduced on each bill. Over the weekend, anticipating that all of you would, like lemmings, follow the leader-- who, for you, is Senator Erdman-- walk off the cliff and accept this rules change in hopes of silencing some minority members of the body, some of my colleagues and I prepared 742 motions so that we would take each motion on each bill that's still pending before the Legislature. And by doing that-- again, this is part of the negotiation tactics that we are engaged in. People like Senator Machaela Cavanaugh are in conversation and in relationship with the Speaker, are in conversation with several members of the body who still have questions about the implications of the trans healthcare ban, who are earnestly and seriously looking for an offramp, looking for a way to end this filibuster, to move on with the rest of this session and the priorities Nebraskans have and who also, frankly, need cover, who need to be protected from the radical voices, not just in the state, but in this country that target people like me. You know, I can take the heat. I take it every day. But of course, there are far right, radical members of this body: Senator von Gillern, Senator Sanders, Senator Lowe, Senator Lippincott, Senator DeKay, Senator Jacobson, Senator Brandt, Senator Dorn, Senator Ballard, Senator Linehan unfortunately because I thought she would be much more moderate this year. But-- Senator Armendariz. I think that her conscience is not really in this. But these are people who are afraid of taking the kind of fire that trans youth take in our country and in our state every day. These are not people who have the same courage to live day to day and vote their conscience, vote for what they think is best for the people of this state in the same way that trans people and LGBT people have courage to just live and go to school and be themselves and get dressed every day and take the kind of abuse and heat that I experience, that my son experiences and that lots of people in our schools in Nebraska face. So there are people who are still in relationship, working on a negotiation to find an offramp for this kind of filibuster. Senator Danielle Conrad is ever-willing to be in conversation with anybody. But I am not,

frankly. I, I don't, I don't have it in me right now. Maybe that'll change, but probably not. Because, to me, this is a job. To me, this isn't a higher calling. It isn't sacred. It isn't-- you know, I'm not endowed to have this seat or something like that. And the overwhelming chorus that I hear from my district and the people I represent is that they don't want us focused on this kind of thing, and they think that the tactics that I'm engaging in and Senator Machaela Cavanaugh is engaging in, Senator Danielle Conrad is engaging in, that this is the only way out of this, actually. And frankly, one of you just needs to be not voting. And I know that there is more than one of you who would like to be not voting. So this isn't even asking anyone to change their vote in terms of, like, what they really feel. It's certainly, as Speaker Arch has characterized it, not silencing anybody. Nobody wants to silence a senator. But as you are trying to make consequences for the filibuster and us taking time by doing things like changing the rules without having a hearing in a way that many rules experts in this body, including Senator Wayne, did not think was appropriate, did not think was in order the way that we did that. But because the majority of this body went along with Senator Erdman, it didn't really matter, right? It doesn't matter-- we learned this session with the motion to overrule the Chair that Senator Slama made, with the rules change motion that Senator Erdman made, that whatever we do in the beginning of session to adopt a set of rules, it really doesn't end up mattering. Because if you can whip up more than 25 people to overrule a Chair or if you can whip up enough people to do a rules change, turns out the rules are whatever you want them to be, right? And you know, this is coming from people who think that they're from the party of rule of law, the party of law and order, the party of following the law. But what you're really following is one leader who has an authoritarian, Christian nationalist view about what should be happening in Nebraska.

ARCH: One minute.

HUNT: Thank you, Mr. President. And that goes for Speaker Arch. That goes for Senator Linehan, Senator Jacobson, who I believe has aspirations to be a Speaker someday. And what you're doing is giving in to pressure from-- if it's partisan pressure, I don't know. If it's from donors or something, I don't know. Or if it's just the fear of being reelected. I've even heard from many of you who wanted to come in and be moderates and wanted to come in and be statespeople that, oh, well, if this bill had only come up when I'm term-limited. Or, just wait till I'm term-limited, then I'll be really different. You know how cowardly that sounds, that you have to wait until the voters can't vote you out in order for you to actually vote the way you feel?

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People have said to me, Senator Hunt, you're never getting elected to anything again. Your career in politics is done because of this. I don't care. You think that matters to me?

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: And you are next in the queue.

HUNT: Thank you, Mr. President. That doesn't matter to me because the job that I have is not the most interesting thing about me, and my job is also not the most important thing about me. And for some of you-- like, maybe this is your peak. Like, maybe this is going to be, like, your whole identity and the whole thing about you for-- you know, making people call you "Senator" out and about in the town and stuff like that. But I don't frankly need this job. And I behaved the very same way when I wasn't term-limited because that's what drives my votes and what drives my behavior on this floor is a principle of bodily autonomy, freedom and liberty and letting people make their own decisions about their bodies. And I also see this movement for what it is, which is something that has been churned up to appease a very, very small population of vocal, radical, hateful people on the far right who are, frankly, not most of you. You guys don't feel that way in your hearts, really. You just want lower taxes. You see yourselves as normal Republicans who just want less regulation, lower taxes and personal responsibility or whatever. That's how you see yourself. But by catering to this far, far right interest so you can pick up one more vote and reassure that you do get reelected and you can be term-limited and then you can finally vote your conscience, do you know how cowardly that sounds? And some of you are true believers, for sure. And I get that. And I actually respect that a lot more. A lot of people know that I actually got along pretty well with Senator Mike Groene when he was here, and part of the reason for that was he, he was very clear about what he actually believed about things. He probably would have come up to me and called me a groomer to my face while all of you just call me that behind my back. And I'd much prefer that because I always knew where Senator Groene stood on stuff and what he really thought. And that made him unpopular in not the same way but similar ways that I can be unpopular as well. But, you know, with me, you're never going to wonder what I think. You're never going to wonder where I'm sitting on something. And you're never going to have to wait for me to be term-limited or anything to vote my conscience and vote the right way. I would like to get this session back on track and talk about things like economic development. Talk

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about things like Senator Mike McDonnell's lake that he'd like to build. Talk about things like child tax credits, the EITC. I, I think Senator Danielle Conrad has a good bill around that. Talk about pet insurance with Senator Ballard, which I've put some good amendments on recently. But one of you has to be not voting on that trans healthcare bill. So here's a couple ways it could work. And Speaker Arch has said he doesn't want to do this, but Speaker Scheer, who was the Speaker when I started here, he had, he had a lot of rules that I didn't agree with. He had this three-hour rule, where if a, a bill went three hours on a filibuster and then the bill introducer would have to come and show him a vote card with 33 votes on it that showed they could overcome a filibuster. Unless they had the card with 33 votes, he wouldn't reschedule the bill. So we had a lot of bills that went three hours and then died because, on General File, we weren't quite there to getting 33 votes on something. And that's really frustrating because what that actually did was it incentivized people--

ARCH: One minute.

HUNT: Thank you, Mr. President. What that actually did was it incentivized people to vote bills that they didn't support through to Select File, to the next round of debate, because introducers were under so much pressure to say, hey, please sign this card. Please give me your vote just for, just for General File, just for the first round of debate and then we'll fix it on Select. Like, how many of you remember that phrase that we heard all the time? "We'll fix it on Select." And we don't have that anymore because now we have eight fair hours to get people on board with a bill before it advances to the next round of debate. But one thing Speaker Arch could do is say to Senator Kauth, you have to show me a card with 33, and that would give some of you cover. It would give a bloc of you cover, honestly, to come off of this vote, to be not voting. And that card would not be public unless Senator Kauth chose to make it public.

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: Senator Fredrickson would like to recognize members, approximately 50, from the Nebraska Association of Behavioral Health Organizations across Nebraska. They are seated in the north balcony. Please rise and be welcomed by your Legislature. Senator Vargas would like to recognize also a group from the Nebraska chapter of the American Foundation for Suicide Prevention, approximately 30 members,

seated in the north balcony. Please rise and be recognized by your Legislature. Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I rise in-- well, I don't know yet if I'm in support of the bracket motion or not. I'm actually going to think about that. I might vote against it because I kind of like the bill. But, yeah. We'll see when we get there. Thank you to Senator Hunt for her comments this morning. I, I remember-- it was either my first or second year and-- I don't remember what was going on, but one of my colleagues came up to me and said, off to the side, don't you want to get reelected? And I was like, I mean, I just got here, but I-- possibly? I-- maybe. If I run. If I run, I want to get reelected. And I thought, huh. They're like, well, you should think, you should think about that. And I was like, oh, gosh. No. If I start thinking about my election when I'm making policy decisions, then I am failing at my job. So-- and people do. They-- I get the same things as Senator Hunt about, you're never going to be elected to office. You're never going to be reelected. Even if I weren't term-limited, I wouldn't change how I am approaching things, because this is how I think this situation needs to be handled and approached, so. Now I don't want to get reelected. I'm term-limited, and that's fine. Term limits that were enacted to get rid of the longest-serving member of the Legislature who also happened to be an outspoken black man from north Omaha. And now, just like everything else that the Legislature does to squash the minority voice, the Legislature is paying the price for enacting term limits. Great lesson. So LB376 is the liquor bill. I am going to go back to where I left off in the deposition of Matt Wallen in the lawsuit against the state for the contract with Saint Francis Ministries back in 2019. And this-- the questions are coming from the attorney. "So your recollection is that the protest caused one of the three original winning bidders to ultimately not be a winning bidder, correct?" Mr. Cox, "I object to the form of the question as to the cause." Witness, "I guess my-- I don't know why one of those three. I don't know if it was the protest or what ultimately led to the three not being awarded that were originally noticed." By Mr. Kenny, question, "So my question to you is whether the CEO was involved in the ultimate decision as to who the three managed care vendors would be for the state of Nebraska." Mr. Post, "I object to foundation." Mr. Cox, "And to form as to what 'involved' means here at this point." Mr. Kenny, question, "Do you understand the question?" Answer, "Can you restate the question?" It was restated back. Witness, "My recollection is that there was a procurement that was run and that it was-- went through the state's procurement process and the CEO would not have the ability or capacity

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to pick a winner or loser. It would have been the procurement process. Whoever scored the highest points in the procurement would have been identified as the winner of the procurement." Mr. Kenny, question, So it is your testimony then that the CEO had no input in to who the winning bidder was in the managed care procurement? Mr. Post, "I object to form and foundation." Mr. Kenny, "If you know." Answer, "The CEO did not score those bids." Question, "I understand. My question is whether the CEO had any input--

ARCH: One minute.

M. CAVANAUGH: --in the final selection." Mr. Cox, "Same objections." Witness, "No, she wouldn't have input into that." Question, "So we've talked about your-- my question, my original question is your involvement in procurement. So you have mentioned the 2017 case management services that was procured during your time as chief of staff, correct?" Answer, "Yes." Question, And then I believe you said you had some awareness or involvement in the Fir-- Employee First services procurement. Is that correct? Answer, The Employment First service con-- services contract, that's correct. Question, "Were you aware of the Heritage Health procurement but not involved in any way? Is that correct?" Answer, "That's correct." Question, "Any other procurements during this time as chief of staff?" Answer, "Not that I can recall." I think that's probably about my time, so I'm going to just mark that off to get back to. And eventually, this is going to lead to a conversation about our--

ARCH: Time, Senator.

M. CAVANAUGH: --procurement process.

ARCH: Senator Erdman would like to recognize a group from Keith County Leadership, and they are seated in the south balcony. If you could please rise and be welcomed by your Nebraska Legislature. Senator Hunt, you are recognized to speak. And this is your third opportunity.

HUNT: Is it my-- it's my second opportunity after my open.

ARCH: They tell me it's your third opportunity, and then you have your close.

HUNT: OK. Well, I started my opening on my motion talking about something that I got completely sidetracked from, which is when I sat down with Speaker Arch before the session started. I tried to meet with many of you, and some-- it, it just wasn't possible to get our schedules to work together. One thing he made clear and has also said

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on the floor several times is that he didn't want to do a lot of late nights, that he wanted to be efficient, move the session along, hopefully not have the social justice issues take up a lot of oxygen. We were all afraid of the abortion bill doing that, but what we didn't expect was this trans healthcare ban to take up that much oxygen. Frankly, I didn't expect it because we have never had a trans healthcare ban introduced in Nebraska. And in my conversations with reporters from outlets from different states and different national outlets, that's the part that they didn't realize and understand, and that's what kind of put this filibuster into a little bit more context for them, which is, in Nebraska, something like this is not normal. You know, we might be a red state, we might be a conservative state, so they think we're like Texas and Florida and Missouri, but we're not. The people of Nebraska are not. And traditionally, our Legislature has not been that way. Traditionally, if someone introduced a backbencher bill like Senator Kauth did, saying, you know, we're going to ban healthcare for children, who are part of the most persecuted, marginalized, discriminated against group in our state and who's also, like, a huge minority. I mean, it's not like they have a lobby out there to fight for them. That, typically in this Legislature, that is not a bill that would be taken seriously. That's a bill that would have gotten a hearing on the last day. It wouldn't have gotten a priority. It would have had a hearing going till midnight, which-- LB574, that bill would have gone much later if Senator Ben Hansen didn't cut off the ability of the second house to testify in that hearing. So a lot of factors have converged to get us to where we are today, giving Senator Kathleen Kauth's bill the light of day that it doesn't deserve. And again, don't characterize what I'm saying as I'm silencing a senator or something. No one is saying she shouldn't introduce the bill or she isn't allowed to introduce the bill or it shouldn't be scheduled for a hearing or it shouldn't be scheduled for debate if it comes out of committee. What I'm saying is that, knowing that Speaker Arch's goal this session was to be efficient, to move things along quickly, to get our hands in the punch bowl of ARPA funds and to not have late nights, why did this body prioritize a ban on trans healthcare then? If all of you are standing up and saying, we want to get to school funding, we want to get to economics, we want to get to different issues that are facing the state-- me too. But there's a boundary. And it's not because I want my way. It's not because I'm whining. It's because we're talking about a human rights issue, and that's not the same thing as the budget. It's not the same thing as, you know, marginal tax rate. Reasonable people can disagree about that kind of thing. Frankly, seriously, reasonable people cannot disagree about the humanity of trans kids--

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ARCH: One minute.

HUNT: --and that's what's at stake here. Thank you, Mr. President. So I was a little bit secretly disappointed when Senator Arch said that we weren't going to have a lot of late nights, because that's when I really do well. It's well-known that I'm not a morning person. It's well-known that I struggle to get here before 10:00 a lot of the time. And as a single parent, I think part of that is because I work a lot at night. I-- you know, in my normal life, quote unquote, when I'm not here in the Legislature, which is more than half the year, I work my job during the day. I get my kid from school. We do homework and activities, make dinner, which-- I hate making dinner-- clean the house if that can be done. And then at night is the time that I really get to myself, either to work on my own projects or to, you know, do the house cleaning or watch a TV show or whatever. And I'm seeing nodding from a lot of parents up in the balcony because--

ARCH: Time, Senator.

HUNT: --they probably do the same thing. Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: I yield my time to Senator Hunt.

ARCH: Senator Hunt, 4:50.

HUNT: Thank you, Senator John Cavanaugh. I'm seeing a lot of nodding from other people in the balcony who know, even if you're partnered, even if you have a, a spouse or a husband or something, someone at home who can help you with these things-- nighttime for parents of young kids is really when you finally have time to focus on the stuff that you choose. You know, during the day, it's doing the things I have to do to pay the rent and the bills, doing the things I have to do to keep my child happy-- against some stiff odds, honestly. And then after bedtime is when I get to be creative. My mind can work. I can work on writing things. I can catch up on email. I can have a glass of wine and watch a show. You know, that's the time that is for me. So I would not go to bed at 10:00 p.m. I would not go to bed at 9:00 p.m. or anything like that because then I don't have any time to myself at all. If I get any time to relax, I have to take it at the end of the day. So one thing that Speakers have done to punish me in the past, knowing I'm not a night owl, is scheduling my bills first, and I think that that's-- I have to give credit. Like, that's a very clever strategy if you want to throw me off something, is to get me

going early in the morning because I really don't shine at that time. But last night before we adjourned at 9:00, I feel like I was really starting to get going. And Senator Jacobson had made some comments about how rural Nebraska has real Christian values or something like that. And I was so ready to kind of clap back on that. And then we adjourned. And I kind of drove home. I drove the hour home as-- every single day, I drive an hour here and I drive an hour home. I came home to my child asleep. The pizza I had DoorDashed to him for dinner was on the counter. The dishes were in the dishwasher. The laundry was changed, rotated, advanced. And I was so proud. And I went and I kissed my kid. And he was like, yeah. Goodnight. Yeah. And-- no, "Thank you, Mom." "I love you." "I miss you." "Hope you had a great day." But this is age-appropriate. It's fine. And then I was just electrified for the whole rest of the night thinking about the work we did yesterday and kind of dreading having to be here at 9:00 again and, you know, go from 0 to 60 and sustain that again till at least 9:00 p.m., which is what we're going to have to do for the entire rest of the session. So that's all to say, last night when we went late, I was very happy to do that. I felt in my element. I felt like my mind was sharp in a way that-- honestly, in our regular course of business, from 9:00 to 3:00 or 9:00 to 5:00, I don't always feel that way. And I don't know if that's a function of being a parent or if that's something innate to myself, because both of my parents are night owls too. When I was a kid, they would stay up until 3:00 or 4:00 a.m., and they still do. My brother-- there's four of us. My two parents are big night owls. They'll stay up all night, always have. I'm the same way. And my brother, who's in the Navy-- and he's working in the White House right now, which is really exciting-- he's a complete early bird. He's always been getting up early. He was always first up in the house. And I always thought it was interesting-- like, I didn't come from a military family. That wasn't a tradition in my family or anything.

ARCH: One minute.

HUNT: Thank you, Mr. President. We didn't even necessarily come from, like, a super religious family. I mean, we, we were Catholic. I went to Catholic Church and I got confirmed and I went to CCD and stuff. But it wasn't, you know, a, a huge-- I didn't feel any oppression through that, I should say. But I thought it was interesting that both my brother and I-- we're very different. He's, he's pretty conservative, actually. We chose such different careers and we're such different people, but we're both working in public service. And I'm-- I think my parents should be very proud for raising two kids that are so different but still have so much respect for the institutions of

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democracy, for procedure and process that makes this world work and also an understanding that cutting down people's--

ARCH: Time, Senator.

HUNT: --personal rights is not the way to get there. Thank you, Mr. President.

ARCH: Senator Lowe, you're recognized to speak.

LOWE: Thank you, Mr. Speaker. And now back to the bill. The bill that we're discussing today is only LB376, which was brought on behalf of the Liquor Control Commission. The original LB376 was to enable the commission to more accurately and correctly identify alcoholic products being imported into or produced in the state of Nebraska for taxation and distribution purposes. AM296 to LB376 establishes a fee that the commission-- the commission is not to exceed \$30, and includes new language to established, licensed wholesalers in Nebraska. And they may import alcoholic liquor from an affiliated wholesaler out of the state if the report required in this section has been previously submitted for the product being imported. The report designates the Nebraska-licensed wholesaler for the product and that product was obtained by the affiliated wholesaler from the same primary source of supply identified in the report. AM296 also remits fees collected pursuant to this section to the State Treasurer for credit to the Nebraska Liquor Control Commission Rule and Regulation Cash Fund. In this bill now is also included LB259, and it adds language to Section 53-123.11 of the Liquor Control Act to allow the holder, holder of a farm winery license to obtain a retail license to sell beer or other liquor that is not produced by the farm winery for consumption on their premise. It also includes LB377, which will allow nonprofit entities to, to apply up to 12 special designated liquor licenses. This part was brought by the Nebraska Craft Brewers Guild. LB596 clarifies the Nebraska Liquor Control Act so as to, to expressly allow liquor manufacturers and wholesaler-- wholesalers to enter into a sponsorship and advertisement agreements with certain organizations, including nonprofit organizations. AM472 was one we added on the floor. It was Senator Murman's bill. And it allows the holder of a microdistillery license-- they may directly sell for resale up to 500 gallons per calendar year of microdistilled products and self-distribute. They must use their own employees to do this. So that is the bill we are discussing today up until I think about 1:45, some time in there. And not to be distracted by the other comments going on this morning, we are on a liquor bill this morning. Thank you very much, Mr. Speaker.

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ARCH: Thank you. Mr. Clerk for announcements.

CLERK: Thank you, Mr. President. Notice that the Transportation Committee will hold an Exec use-- Executive Session at 10:00 a.m. under the south balcony. Transportation, Exec Session, 10:00, under the south balcony. Additionally, the Education Committee will be holding an Executive Session at 10:00 under the north balcony. Education, 10:00, under the north balcony. New LR, LR76 from Senator Clements. That will be laid over. That's all I have this time, Mr. President.

ARCH: Thank you, Mr. Clerk. Senator Conrad, you are recognized to speak.

CONRAD: [MICROPHONE MALFUNCTION]-- Mr. President. And good morning, colleagues. I had a chance to visit just really briefly last night with Senator Lowe after looking at the committee statement to see if the concerns of those who testified neutral or opposed had been addressed or needed to be addressed in order to move the measure forward. I appreciated his approach in catching me up to speed on the committee deliberations, and it was very instructive as we approached our work together on LB376. So I appreciate Senator Lowe's time in that regard. And I'm happy to yield the remainder of my time to Senator Hunt if she so desires.

ARCH: Senator Hunt, 4:15.

HUNT: Thank you, Mr. President. Thank you, Senator Conrad. Colleagues, I agree with Senator Lowe. Certainly don't be distracted by anything I'm saying here on the floor. And I also wouldn't think any of you would be distracted by anything I'm saying on the floor. I think you're all working on your email or playing Candy Crush or, you know, fantasizing about what you would do if, if you did not have to be here today. But the truth is, you don't have to be here today. You can go back to your office. You can go home, frankly, because there are lobbyists out in the rotunda and there are bill introducers here who will text you once we get close to cloture and your presence is needed again on the floor. But that time is not now because we aren't taking a vote right now. I, I think that over the past five years that I've been here, there have been-- oh, this is very-- this is a, a very rough estimate, but maybe if there is 800 bills a year, say 700 bills a year, so 3,500 bills, there's probably only been 10 that came to the floor, maybe 15, that I wasn't involved in somehow. And that's not really my preference. I mean, early in my time in the Legislature, I was not shy to talk on the record. I was not shy to share information.

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And then that pigeonholed me as a person who's willing to talk on the mike. And so then as other people are under the balcony negotiating and figuring out how they're going to move bills forward but they need 30 more minutes or they need one more hour, I early on was one of the people who they would come to and say, Megan, can you just take time? Do you think you can take, like-- I'll give you time, but can you please take time? And so even on bills that I wasn't really invested in or that I didn't really have a dog in the fight, I didn't care about what the outcome would be, I would then have to, like, get invested somehow, talk about the bill, talk about an amendment, talk about something so that the adults in the room or whatever could go under the balcony and find a compromise, an agreement to move the bill forward. And I think that there's only been 10 times maybe in the last five years where a bill came to the floor and I got to do what you're doing, which is just wait, wait and listen and wait for the vote and play Candy Crush. And I'm 30 percent envious of that, but I'm 70 percent kind of like, isn't that a waste of the gift? Isn't that a waste and a squandering of the privilege we have to be here with this platform that we're going to have for a very short, limited--

ARCH: One minute.

HUNT: Thank you, Mr. President-- a very short, limited time in our lives? You know, most of you have had illustrious careers. You've been successful in whatever way you define that. And this may be a capstone in retirement or a way to give back in public service to your community that has supported you throughout your career and your life and the lives of your children. That's what motivated me to run and come here, is my gratitude for my neighborhoods in Dundee, in Benson, in Keystone, in Midtown Omaha that have supported me as a business owner and a single parent since I was 19, running a, a clothing shop and a coworking space in my district. And-- you know, I won't be here for long enough to do very much, but--

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Senator Hunt, it's-- I've had the very same experience. I-- there were times where the Speaker would come to me at night when there were negotiations happening on the floor and say, can you just take time? Because we're working on a deal. And I'd be like, all right. Let me read this deposition to you.

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And it would oftentimes be on bills that I was like, I have no idea what this bill is. I'm just gonna help out and be a team player for the full Legislature. I do remember one late night where there was some negotiated amendment. I think it was Senator Pansing Brooks and Senator Geist, and then Senator John Cavanaugh and staff were-- figured out the language fix that got everybody happy, but-- Senator John Cavanaugh has really terrible handwriting. I'm sorry, Senator Cavanaugh. And so they needed somebody to handwrite a really long floor amendment. So I just remember sitting over there with a bunch of lawyers making sure I put the commas in the right place, slowly writing out this floor amendment. And that's kind of the fun, like, how the sausage is made stuff. Now that we're in it-- yeah, now that we're in it. That's the fun stuff. Last night, we had Senator Dungan and Senator Brewer off the mike with Senator Brewer's legal counsel chatting through some of the logistics and thoughts and, and things on LB77. And that's, like-- that's what we're here for, is the-- making things better, finding those tweaks, finding those fixes, finding a way to make that happen on the floor, on the fly. And everybody can have a role to play in that. Even if you're not really engaged in whatever's going on, you can have a role to play by helping take time on the mike so that those things can happen. And that was oftentimes the role that I played over the last several years because I think it was known that I was able to take time on the mike on the fly and I didn't have to have a prepared speech. And so, thanks for reminding me of that, because that kind of reminds me of, like, a fun time in this place doing, doing the work and kind of being in the mix. And maybe we'll see more of that as these all-day, late nights go on. We'll see people kind of taking down those walls that they've put up over the last 50-some days and, and start to get work done. So I could go back to talking about the bill. Senator Lowe, you know how much I love to talk about a good fish fry. And we are still in Lent. I think we've got-- this Friday is maybe the last one because-- yeah, Easter is, hoo, April 8, I believe. So, again, LB376 just helps with that fish fry community in Omaha, having those liquor lic-- those temporary liquor license. I don't-- Girl Scout season is kind of-- cookie season is over, so that's unfortunate. Although my house is still lousy with Girl Scout cookies. I can't believe they haven't all been gone through, because I haven't been home as much. And I just assume that my kids are, like, sneaking the Girl Scout cookies, but maybe they're just hiding it better, like, moving in the-- like, the-- having just one row that I can see in the front, like they haven't eaten all the cookies or something. They probably are that sneaky, to be honest. And I haven't been eating the Girl Scout cookies even though I love them. But I, I think I've mentioned before that I have, I have a lazy

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gallbladder, so it doesn't like it when I eat anything that's yummy. So I'm off the Girl Scout cookies for now. But, yes. The fish fry season is still here. Y'all got one more chance to go check them out.

ARCH: One minute.

M. CAVANAUGH: I got some great ones in my district. I think St. Vincent de Paul, which is a newly acquired part of my district from redistricting has-- they have, like, mac and cheese and they own their own fryer, and it's, like, a real big to-do. That's on the western edge of my district. One of my favorites-- it's not in my district-- it's in John Fredrickson's-- is Mary Our Queen. And during the pandemic, they always had a set up to do, like, drive-through pickup. So at the height of the pandemic, they were already set up for fish fries, to maintain that so people could still drive through and do their pickup. And I know my brother did that. My brother is an avid connoisseur of the fish fries. So if you really want to know the best fish fries in town, you should ask the other Senator Cavanaugh. I don't eat fish, so. I like to go to the ones that have mac and cheese or the spaghetti feeds instead of fish fries. So, there you go, Senator Lowe. I talked about the bill.

ARCH: Time, Senator. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I mean, I think there's a lot I should respond to there. First off, we're not all blessed with all of the gifts in the world, and one of the ones I wasn't blessed with was good handwriting, so I apologize. But that's just the nature of the beast-- nature of the beast. I don't have good handwriting. That's-- Senator Machaela Cavanaugh was maligning my handwriting, which is-- it's just-- it's true. I have bad handwriting. And two, there are a lot of great fish fries. I would give a shout-out to Holy Name, our very own Paul Hammel, who I think is here today. The last time I was at Holy Name, he was serving up the fish. But anyway, that's all I really needed to say. I would yield my time to Senator Hunt if she would like it.

ARCH: Senator Hunt, 4:10.

HUNT: Thank you, Mr. President. Thank you, Senator John Cavanaugh. I don't think I've ever-- I don't have any recollection of what John Cavanaugh's handwriting looks like, but I think people are generally too hard on themselves about their handwriting. How many of you have a friend where they have beautiful handwriting and they write down a

list and they give it to you or they write you a card or something, and then they're like, oh, sorry if you can't read my chicken scratch. And it's like, this is gorgeous. And people are, like, very self-deprecating about this kind of thing, so I don't think we should be too hard on ourselves about that. Senator Machaela Cavanaugh said my conversation about sometimes being asked to take time reminded her of some fond memories early in the Legislature. I remember that amendment that was being handwritten on a floor pad, on a motion pad a couple years ago with Senator Geist and Senator Pansing Brooks and John Cavanaugh helping with that. And that was one of those moments you kind of live for in here, those moments where you're hanging on a-- off a ledge and we're so close and we're running out of time. And if one person looks at another person wrong, the deal's going to fall through. But then something good ends up getting done for people. And that's what I'm craving so much in this Legislature. What I can do is take time. What I can do is talk about different things, but I'd like to see others in conversation, in relationship, still working to try and find an offramp so that we can take one vote off of Senator Kathleen Kauth's unserious, bigoted, discriminatory bill that is very harmful for kids in our state but also the wider LGBTQ+ community and also a lot of straight people who care about gay people in our community. Probably what I've heard from most of all are, honestly, from people who are older, people who have kids and grandkids who are not even necessarily trans but may be gay or may be nonbinary or may be just a little queer, a little bit, a little bit weird. And several people in this building, actually, several staffers and administrative support and lots of people in this building who I was very surprised reached out to me because they come off kind of square. And it turns out this bill matters to a lot of people. A lot of squares actually think that this is a very discriminatory, bigoted bill and that it's beneath the work that we're called to do here in the Legislature. I feel called to do the work that gives me the feeling that we get when Senator Pansing Brooks and Senator Geist and Senator John Cavanaugh were handwriting a motion on, on a pad to save a bill.

ARCH: One minute.

HUNT: Thank you, Mr. President. Those are the moments that make this really fulfilling. And we can have a lot more of those moments this session. We're on day 52 now. We have squandered a lot of time during the several weeks where we just had check-in days to check in and then move on to committee hearings. We could have been debating bills at that time. We could be debating all kinds of things and having a session going according to normal course if one of you had voted your conscience and not advanced that unserious, bigoted, discriminatory

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bill introduced by Senator Kathleen Kauth because, traditionally, this is not the work that we really do here. And that's what, what I'm speaking--

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized.

CONRAD: Thank you, Mr. President. I yield my time to Senator Cavanaugh if she so desires.

ARCH: Senator Machaela Cavanaugh, 4:35 seconds.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Conrad. I would like to apologize to Senator Cavanaugh. I did not mean to malign his handwriting. It was germane to the story as to why I was participating in writing the amendment. And there were others who had not quite legible handwriting. I will say they were all attorneys. I don't know if attorneys have bad handwriting. You-- oh, yes. I'm, I'm being verified that attorneys have bad handwriting. I will-- I would like to highlight somebody who has really beautiful handwriting. Senator Merv Riepe has some of the most spectacular handwriting I have ever seen. It is, it is quite lovely and also very legible. So just a shout-out to Senator Riepe. If any of us needs some handwritten, long-form floor amendments this session, I think he's the one we need to go to. Because not only is it legible, it's also beautiful, so. One of the things you pick up when you sit next to somebody is whether or not they have good handwriting. I have terrible handwriting, but not as terrible as Senator-- the other Senator Cavanaugh, so that kind of speaks volumes. I remember last year, when we were debating LB920, there was a lot of time where we had lots of people taking up time because the people working on LB920 were sitting in the Speaker's Office or in the Governor's Office. I don't even know what-- I wasn't in the room. I was on the floor, taking time. That was, that was a real team effort. The negotiations were ongoing throughout the entire session. And they were, they were ongoing during the debate. They were ongoing between the debate. And so there were many of us that were in here just taking time so that those things could happen. I imagine-- I know we have a justice reform package this year. I imagine that that will be an all-hands-on-deck sort of situation again, and we'll see the true nonpartisan nature of the Unicameral. Oh, Senator Cavanaugh, I apologize about the handwriting comment. I think you have many wonderful attributes. You infa-- inherited your father's handwriting,

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however. So, so yeah. I think that there's going to be some great opportunities, and I hope that members of the body join in on those opportunities, especially if you are a freshman. Like, that's a real kind of time to have fun and get in the mix, is when everybody needs help with you taking time and you can help take time so that the people that are working on something really impactful and substantive for the state can have the opportunity to make that happen. In some ways, you could look at-- that's what Senator Hunt and I are doing for everybody right now. We are giving you time to get some substantive conversations and debate and negotiations going on the things that you care about. So I would encourage you to utilize that opportunity. So I'm probably-- I don't want to start back on the, the deposition and have it be super truncated, so I'll wait until my next--

ARCH: One minute.

M. CAVANAUGH: --time in the queue. But one of the reasons that I keep going back to the deposition is because I think an important topic to the, to the state and to the institution is to talk-- continue the conversation around our procurement process. We have a severely flawed procurement process. And I think it was, like, the second day of session or maybe the third day of session where I received a letter from HHS with a \$64,000 bill for a records request that I had made, and it was around a procurement issue. I'm continuing to work with them on that records request. I still haven't gotten the records, but we're trying to narrow-- more narrowly define it so that they don't feel the, the need to charge me \$64,000 and I don't feel the need to take them to court. So, compromise. Look at that. I think I'm about out of time. Thank you, Mr. President.

ARCH: Senator Dungan, you are recognized to speak.

DUNGAN: Thank you, Mr. President. I'll yield my time to Senator Hunt.

ARCH: Senator Hunt, 4:50 seconds.

HUNT: Thank you, Senator Dungan. Thank you, Mr. President. One difference that I think is generational and I think came through loud and clear in the debate last Wednesday and Thursday about LB574 is that, over the generations, as acceptance of LGBTQ+ identities has increased, it's, it's become less of a big deal and it's become less traumatizing for people with these identities. And it's also become less challenging for their families and loved ones. Senator-- boy, I don't want to get it wrong. I know Senator Clements shared several stories. I think that Senator-- someone sitting over here, I don't

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want to get it wrong-- shared the same story. A couple of you read the same two or three stories several times because you weren't listening to each other or the debate. But you shared stories about people in their eighties who had been traumatized because they were gender-expansive or gay or trans, but they never even had the space or the safety or the affirmation to realize what that is. If anything, maybe it's not that. But because they were never supported by their families and loved ones or their schools or their communities, as is more the case today, they associate gender-expansive exploration and transition as traumatic. And that is-- that says more about the types of discrimination that people experience than a reason for discriminating against them. You know, depression and trauma and, and negative feelings that LGBTQ+ people experience is a consequence of discrimination, Senator Kauth. It's not a reason for discrimination. We don't say these people have trauma and, and went through difficult things, so we shouldn't allow any of them to have this identity, which, you know, frankly, is part of a lot of my opposition-- well, all of my opposition-- to Senator Lou Ann Linehan's bill to allow tax credits for private Christian schools. Because we cannot be having taxpayer money going to schools that allow caregivers, teachers, staff, faculty who discriminate willingly, proudly and openly against these kids to benefit from public dollars that are meant to serve everybody, that are meant to go to public schools where people aren't able to discriminate like that. Because if you talk to any child in Nebraska-- children don't hate gay people. Children don't care. It doesn't matter to them at all. It wouldn't matter anything to a second grader or a third grader or a fourth grader or an eighth grader or anybody if I was their teacher and I had a picture on my desk of my husband and my kids or my wife and my kids. They would say, cute family. It's not confusing for them. It's not weird. And it's the same with their nonbinary and gender-expansive peers. My son was talking to somebody a couple days ago, and they were kind of coming from a "my generation and above" experience, where coming out can be very traumatic. Like, people-- and this still happens, of course. People lose their family. People lose their community support. People can get kicked out of their homes, become homeless--

ARCH: One minute.

HUNT: Thank you, Mr. President-- which is less the case today. But they were asking my son, so do people bully you? Have your teachers bullied you? Do you have trouble in school? And of course, I was worried about this too in the beginning. Big time. And what he said-- without a second of hesitation, he goes, no. I have a lot of friends. All my friends are really nice. All my teachers are really nice. The

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only people who really say anything bad about me are the people who work with my mom. Now, what does that say, colleagues? Are you guys proud of yourselves? He said, the only people who really say anything bad about me are lawmakers. And this could not be more reflective of the younger generations in our country and where they are looking at as a place where they actually have a future. And for these young people, how can we act in this Legislature in Nebraska to ensure that these young people do see Nebraska as a place where they would be welcome?

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: Senator Holdcroft would like to recognize 72 fourth grade students from Gretna Elementary School in Gretna, Nebraska. They are located in the north balcony. Students, please stand and be recognized by your Legislature. Senator Machaela Cavanaugh, you are recognized. This is your last opportunity.

M. CAVANAUGH: Thank you, Mr. President, colleagues. I wonder if Senator Hunt will yield to a question.

ARCH: Senator Hunt, will you yield?

HUNT: Yes.

M. CAVANAUGH: Thank you, Senator Hunt. I think sometimes people hear a little bit better on the floor when we ask each other questions. You were just talking about your son and that interview. Could you restate what he told them about how he's treated in school versus otherwise?

HUNT: Yeah. I mean, I was worried about him getting bullied too. This is like-- we've got to be careful what we say here, but I feel like no parent who learns that their kid is going to have a harder time in life is thrilled by that news. It doesn't mean you don't love them and accept them and, and you're going to do anything for them. But, you know, your kid doesn't come out to you and you go, oh, thank God. I was hoping for this. This is the best news. Nobody-- I mean, I don't think it would be common to do that. And I did not do that. I had to process that for quite a while. But I was very worried about him getting bullied in school. And when he was asked about that-- like, do you get bullied in school? Have you been left out of things? Have people said things to you, used slurs toward you? Which, me, as a white, cisgender, conventionally attractive, somewhat semi-cool bisexual teen, I got bullied really bad. I got-- I actually didn't go

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to high school for most of my senior year because I was dealing with so many mental health challenges and depression because of the bullying. My son said he doesn't experience anything like that. And I haven't seen it either, frankly. I mean, the teachers are all supportive. They got the pronouns like that. No problem. And now everyone's used to it. It's no big deal. No one cares. The teachers like that he's a good student, that he does his homework, that he helps other kids with their homework. His friends all like him. He has a very diverse friends' group because he does lots of different activities. So he's in several different little cliques like they can do. And-- you know, he has crushes. He has clubs. He started a club for writers called the Young Authors Society, which I'm really proud of. And he said, no. No one at school has bullied me. I never get bullied. The only people who say anything bullying are the people who work with my mom, our lawmakers. And he doesn't think that because I come home and tell him that. I am not the parent that comes home and goes, hi, sweetie. For the 10 minutes that we're going to be able to spend together today, since I'm working in the Legislature, let me tell you about all the nasty things people said about you. I'm not the parent or anything that's going to go do that. He doesn't hear that from me. He hears it from you guys in the news, in your own words. And he heard it in the hearing because he came and testified against this bill in person. And he heard all the things Senator Riepe was saying. He heard the things that people on the committee were saying. Senator Ben Hansen. He saw how Senator Ben Hansen cut off debate. And that makes an impression on kids. That makes an impression on children and young people who, you know, all of you and your behavior is contributing to my son's conviction that he will not stay in Nebraska. And I asked him, you know, why aren't you more worried about LB574? You don't seem that stressed about it. You know, we expect them to get bullied. We expect them to be stressed, and they're fine because they're resilient and fine. But he said, well, I don't really care about this bill because it's not going to affect me because I'm not going to live in Nebraska. And I said, well, what about all the other people who have to live in Nebraska who are going to be affected by this? And he said, well, that's why I came and testified.

M. CAVANAUGH: That's a good kid.

HUNT: And I--

ARCH: One minute.

HUNT: --I just thought, how-- what more can we ask of anybody? That's what Senator Ernie Chambers always said to me. He said, if you do your

best, how could anybody ask any more of you? How can I ask more of my child? He's taking care of himself by saying, look at the culture in this state. I can't live here or I'll lose my mind. Good for you for realizing that. And second, he's saying, but while I am here, I'm going to use the power I have to do something for the people who don't have that privilege. And he did it. And then he went back to school and did his homework and is minding his business. Like, how much more can we ask of people? I, I'm proud.

M. CAVANAUGH: That's a great kid. Thank you for sharing that. I appreciate that. I think sometimes we lose track of what we're saying on the mike, and I just wanted to make sure we elevated that conversation because Ash is very impressive. So, thank you. I yield the remainder of my time.

ARCH: Senator Day, you are recognized to speak.

DAY: Thank you, Mr. President. This is a really interesting conversation to me because I think-- I, I have two boys. They're 10 and 14. And I'm 41 years old. And so I grew up in a similar environment to Senator Hunt-- she's a little younger than I am-- in high school. And the level of general acceptance in terms of sexual orientation and gender identity when I was in high school was not great. Kids were regularly bullied for, you know, the, the smallest of things. And learning now how kids that are in middle school and high school view differing sexual orientation or gender identity is-- it's so completely different in how easily these kids just accept each other for who they are. I have even learned from my own son who, you know-- you would typically think-- he's, he's a, a young 14-year-old, cisgender white kid that comes from Millard. He plays different sports. He's a jock. He gets good grades, and would typically fall into the group of kids you would think that would look down upon other kids that are different from them. But my son has taught me-- I, I remember one specific incident where we were traveling this summer and we were staying at Great Wolf Lodge with the kids for a couple of nights, and I mistakenly misgendered someone that was working there. And I was there with my son, Canyon. And we walked away from that incident, and he immediately looked at me and told me, Mom, do you know what you just did? And I was like, no, Canyon. What happened? And he told me how embarrassed he was and how upset he was with me. This young man is 14 years old and has more emotional intelligence than almost all of the adults in this room. He told me how upset he was and how embarrassed he was. And I took him back and I went and I apologized to the young woman. But it was that incident that made me really realize how differently this is looked at by Gen Z and Gen Y

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and just sometimes how out of touch older generations are with the world in general and what's happening. I think we continue to see this thing where older generations look down on younger generations. It's always the typical, you know, the younger generation doesn't want to work and they want everything handed to them and they all think they're special. And you hear it from generation to generation of-- the, the one just beneath them is the, the ones that are going to ruin society. And it never comes to fruition. We actually tend to just progress in the right direction. And so this conversation is really fascinating to me in that what we think of as adults who are in our forties, fifties, sixties, some us seventies-- there might even be some people in their eighties in here, I'm not sure-- what the world looks like and our worldview when it comes to things like the LGBTQ community is so completely out of touch with reality, and-- especially when we're talking about legislation, right? We are-- we would be implementing a law in 2023 that is going to affect future generations--

ARCH: One minute.

DAY: --meaning a lot of you in the room are never going to be affected by any of the things that you do in here. The kids who genuinely look at each other and accept each other for who they are are going to be the ones who are screwed by the pieces of legislation that we're attempting to ram through this session. And so I just-- I, I find it really interesting-- one second. I find it a really interesting conversation just about the generational divide when we talk about a million different things, but especially when we're talking about gender orienta-- or, sexual orientation, gender identity, just how differently kids view each other from that perspective. And I think that we are long past due time to get our stuff together and start learning how to accept people--

ARCH: Time, Senator.

DAY: Thank you.

ARCH: Senator Briese would like to recognize approximately 30 members from the Nebraska State Athletic Trainers Association from across Nebraska. They are located in the south balcony. Members, please rise and be welcomed by your Legislature. Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. You know, I, I really appreciate the dialogue and debate that we're having this morning. And I know

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this afternoon we're going to be talking about income tax package, corporate tax package, childcare tax credits, Social Security tax credits. And I, I really want to thank Senator Linehan for organizing a, a briefing this morning. I think it was truly very informative for the senators, very helpful. But also just to alert fellow Nebraskans that are watching today, that we are going to be talking about cutting income taxes, and I think it's important that we all pay attention. I want to commend Senator Bostar, who-- for being a tireless advocate for childcare tax credits. We know that families in Nebraska are really struggling, particularly when both parents work outside the home to, to try to find affordable daycare, if, if they're lucky-- first of all, to get into a daycare center and to make sure that they can afford it. I've heard from so many young families how they struggle, you know. One, one parent's entire income goes to pay for, for childcare. And, you know, Senator Bostar is, is a, is a, a true advocate for childcare tax credits. I've often said that, wouldn't it be-- if the Governor did-- in addition to his very transformative education funding initiative, if we could do the same for childcare tax credit, if we could allow young families to be able-- not to be burdened by paying for childcare and give them additional tax credits. Think of what an amazing plan and policy that would be to not only retain our young families in our state but to really attract more families wanting to come to a state that was so progressive on recognizing that this will be a, a tremendous help to our, our workforce. The one thing that I want to point out too about the overall income tax package-- and, and, again, I am citing the Institute of Taxation and Economic Policy and the research that was done in March of 2023. In LB754, it calls out that the vast majority of the benefits of cutting income tax rates go to the wealthiest 20 percent of Nebraskans. And I know-- that, that gives me great pause. And I really want the folks out there that will be listening this afternoon to, to weigh in on this because we know, economically, that when you put hands-- when you put cash and tax reduction in the hands of low, modest means, middle-income families, that's where those dollars get spent. And they have an economic generator factor, about \$7-- for every dollar you give back to them, it, it generates about \$7 worth of economic growth in that community. And that's what we want to see, but it only happens when you give those refunds to low- and middle-income class. The wealthiest income class doesn't have the propensity to spend it. The good news is they invest it, but they don't really pour it back into their local economy, and that's what we need to, to be mindful going forward. According to the ITEP, Institute on Taxation and Economic Policy, they say, very little of the package is targeted to low- and middle-income Nebraskans, and the average tax

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cut for the majority of Nebraskans is really tiny when compared to the tax savings that higher paid Nebraskans would receive.

ARCH: One minute.

RAYBOULD: Thank you, Mr. President. And so I, I ask the fellow Nebraskans that are out there listening to really dig into this and ask some tough questions. Is this, is this tax package sustainable for the short and long term? Right now, we're, we're experiencing inflation. That impacts businesses and, and how much proj-- how many projects they're going to take on. We know the interest rate is increasing. That, that has a great deal of impact. We know that there's tremendous volatility in the stock market. That gives everyone pause. And so for, for these reasons and a few others, I ask fellow Nebraskans just to keep your eyes open on what this tax package does. I'm all for things that benefit our families, low- and middle-income families, but keep your eye out on this. You know, what we do is, like, how can we attract and retain young families? How can we attract and retain our existing businesses and corporations? And it's, it's something that-- I, I hope folks out there that are listening will certainly ask the tough questions of all senators, myself included. So, thank you--

ARCH: Time, Senator.

RAYBOULD: --Mr. President.

ARCH: Senator John Cavanaugh, you are recognized to speak. This is your last opportunity.

J. CAVANAUGH: Thank you, Mr. President. I think if Senator Hunt wanted the time, I would yield it to her. But I just would quickly point out that, in the context of the broader conversation we've been having, we've got some folks from the Nebraska Association of Behavioral Health Organizations out there talking about the need for behavioral healthcare in the state, and I think that's been kind of a central point of the broader conversation we've had this year in making sure that we are adequately funding these resources so people have access to behavioral healthcare. And I just thought that would be, be good. And so if you have an opportunity to go out and talk to folks-- I know they're pulling people out to talk about it. So take that opportunity if you've got it when there's plenty of time to go do something else. So if Senator Hunt-- I yield my-- remainder of my time to Senator Hunt.

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ARCH: 4:15, Senator Hunt.

HUNT: Thank you, Mr. President. We're talking about a generational gap. I have some other thoughts I wanted to share about this. I think that this is common for a lot of things. It took-- it didn't take as long for the general public's sentiment around being gay to shift as long as it took the law to shift. Public approval and acceptance and affirmation of gay men and lesbian women was in place long before the marriage equality, the Obergefell decision in the Supreme Court. And I think that we are going to see the same trajectory for trans Americans. I really hope so. I am personally not a believer in that Martin Luther King quote that says, the arc of justice-- or, what is it?-- the arc of the universe bends toward justice. This is something that advocates repeat often when times are tough, when they-- you know, it looks like we're not making a lot of progress. We say, well, the arc of the universe bends toward justice, as in, we might not see justice tomorrow, but we're going to keep working on it. Eventually, it'll come. I don't personally actually believe in that. I think that progress and justice is an action, not an inevitability. I don't think that it's inevitable that, that right and just things are going to happen. And the reason I think that is-- I mean, just from being in the Legislature for five years. I mean-- you see how public sentiment can swing one way and the radical people who are elected to represent them swing the other way. And it's, it's social movement and backlash, this cycle over and over and over again. But one common thing that we hear people who don't understand trans identity say-- it's the same thing we used to hear people say about gay identities, which some people still say-- which is things like, why-- Senator Groene used to always say this. Why are you making everything about sex? Nobody cares who you sleep with. And then with, with this bill, LB574 from Senator Kauth, that's turned into, don't sexualize kids. You're sexualizing children. And then that morphs into this groomer accusations and pedophile accusations and stuff like that. When, really, I would earnestly submit that the people introducing these bills are the ones sexualizing kids. You know, they say things like, I have no problem with LGBTQ people, but why do you have to talk about sex so much? Nobody cares who you have sex with. But I would imagine that in reverse. You know, when someone heterosexual, when, you know, a friend says in front of a child, I went out with a guy to a movie last weekend; or, my husband and I are having a picnic today; or, I'm pregnant. I'm expecting a child; or, you're invited to my baby shower--

ARCH: One minute.

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HUNT: --we never say, stop talking about sex. But to hear what you're saying to the LGBTQ community, don't you see that that's the same exact thing? Me putting a picture on my desk of my wife makes some of you come by and think about sex. What does that say about you? Trans kids existing makes some of you think about sex. What does that say about you? They aren't thinking about that. It's not a, a function of sexuality the way that you guys experience that as adults. And when LGBTQ+ people talk about their normal lives-- going on a picnic, going to a baby shower, expecting a child, getting married, going on a date-- many people sexualize that for no reason. And we're doing the same thing to kids with this bill, LB574. That's why I think this is so toxic for raising the temperature politically--

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: Senator McKinney, you are recognized to speak.

McKINNEY: Thank you, Mr. Speaker. I rise in support of LB376. And I rise because a bill that would deal with hair discrimination in schools that would affect kids that look like my daughter that wear braids is off the agenda now because of the filibuster. And we got to be honest. We're talking about a racial understanding gap across all party lines. I support all efforts to protect all kids in this state. I never supported that trans bill, and I think it's a horrible bill. But it's clear many people do not understand black identities. So for the past week or so, I've been trying to figure out, what do I really say? I keep saying I'm frustrated and all these type of things. So I've been trying to listen. I've been listening to a lot of audiobooks about discipline, listen-- listening to, you know, past interviews and things from Martin Luther King, Malcolm X and, and many other people just to try to balance myself, to try to really define what I really want to say. And this morning on my drive down here, I started listening to the letter from the Birmingham jail. And in this, Dr. King said-- in one piece of it, and I'll probably quote some more-- we know through painful experience that freedom is never voluntarily given by the oppressor. It must be demanded by the oppressed. Frankly, I have yet to engage in a direct action campaign that was well-timed in the view of those who have not suffered unduly from the, the-- from the disease of segregation. For years now, I've heard the word "wait." It rings in the ear of every Negro with piercing familiarity. This "wait" has almost always meant "never." We must come to see, with one of our distinguished jurists, that justice too long delayed is justice denied. And with that bill being removed, it is highly possible black

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kids that wear braids, dreads, afros, puffs, all those type of things will have to wait for us in this body to ensure that those kids would not be discriminated against. The Native American families that came because their child had their hair cut will have to wait again. Wait, wait, wait. That is my issue. I have no issue with being outraged that this body would even discuss a bill about trans kids and discriminating against them. It's horrible. But like I had to come in this body after this body decided to remove slavery out of the teaching of education last year, I had to move on and fight and keep fighting. But I didn't try to stop everybody's bill. I didn't filibuster every bill. I didn't kill bills that needed to be passed. That is my frustration. When it comes to black people, it's always, wait. It'll get better. We'll figure it out. And that's across both party lines. Honestly, it is. I feel like I'm stuck. Like-- it's, it's just frustrating, honestly. And he, he also said in a letter in, in a Birmingham jail, I must take-- I must make two honest confessions to you, my Christian and Jewish brothers.

HANSEN: One minute.

McKINNEY: First, I must confess that, over the past few years, I have been gravely disappointed with the white moderate. I have almost reached a regrettable conclusion that the Negro's great stumbling block in his stride towards freedom is not the White Citizen's Counciler or the Ku, Ku Klux Klanner, but the white moderate who is more devoted to order than to justice, who, who prefers a negative peace, which is the absence of tension to a positive peace, which is the presence of justice, who constantly says, I agree with you and your goal, but wait. Thank you.

HANSEN: Thank you, Senator McKinney. Senator Dungan, your open.

DUNGAN: Thank you, Mr. President. I will yield my time to Senator Hunt.

HANSEN: Senator Hunt, 4:55.

HUNT: Thank you, Mr. President. Thank you, Senator Dungan. Senator McKinney, from a summary space, the truth is that the community I'm fighting for is your community. And the facts are that if this bill passes, LB574, although we are advocating for trans people, the people who will be most impacted by that bill are black and brown trans people in this state. The trans youth in the justice system, whether that's juvenile justice or in the adult carceral system, the black and brown trans people in that system make up a large population from

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Senator McKinney's district. So is there an opportunity to look at the systemic impact of these bills instead of looking at these bills as one-off issues and look at the systemic impact of all of these things together? The folks who are showing up to testify on these bills look a certain way, right? So we've been able to classify this issue as a white issue. But the truth of the matter is that it's not. There are black and brown trans folks who are incarcerated, who are coming home from incarceration, folks in juvenile detention, folks in north Omaha who are in there, who's-- they've been in there their whole lives and they don't even show up to advocate because they feel like folks have divested. So the accountability and the call-in with care that I want to do, that I want to offer is that we are advocating for the same community, Senator McKinney. Queer and trans black people are black, folks, and it's unfortunate that black people in Nebraska have had to compromise to get what they need, and it's important for us to divest from that. It's terrible that we've had a whole community have to acquiesce so much to get so little. So let's name that and not perpetuate that any further. By doing that now, we are absolutely serving the LGBTQ community, but we're also engaging in liberation work for black and brown trans people in this community. The data and the numbers are there. We know that black and brown people are the ones most affected by bills like LB574. And, you know, we have the Opportunity Campus from Black and Pink in Senator McKinney's district. What do you think the people who populate that building are going to look like? Those are trans and gender-expansive people. We have Blackburn, North, Benson High School. The number of trans and gender nonconforming people who are there, it's very prevalent. The data and the numbers are there. And it's completely disgusting and wrong that an entire community has had to sacrifice and compromise for decades to get what they deserve. And we haven't even given them that. That anything they even get from us is based in scarcity. And I want to say that we need to end that with this issue. I want to say that when I'm talking about queer and trans people, I'm first and foremost talking about black and brown queer and trans people. So let's not act oblivious and do harm to another community because harm was done historically. All of these things are connected to white supremacy and patriarchy and freedom and liberation. And to hear Senator McKinney say things like, we've compromised. We've had to, you know, pick up and move on anyway. It's a statement of hurt and harm. And we can name that and we can say that that never should have happened. But we can't utilize historic harm to do future harm or position this conversation to be rooted in the inherent inclusion of black and brown people if we're saying that--

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HANSEN: One minute.

HUNT: --trans folks are black and brown people. Thank you, Mr. President. What? Did I yield my time? You told me my-- that was time.

HANSEN: Nope. One minute.

HUNT: Oh, I'm so sorry. Thank you. Sorry. I thought you said "time." This never should have happened to this community. We can't do future harm to the same community because historic harm was done. And if we're saying trans folks, we're saying black and brown people. That's explicitly what we're talking about. And these populations are prevalent in north Omaha. Thank you, Mr. President.

HANSEN: Thank you, Senator Hunt. Senator Day, you're recognized to speak.

DAY: Thank you, Mr. President. I mentioned this a little bit yesterday. And again, it's-- we have to be careful what we say because it's not my place to tell Senator McKinney how he should feel about anything. But number one, we don't set the schedule. The Speaker sets the schedule. So if the Speaker wanted to put the bill on the agenda and move it in front of the others, he could, and he has chosen not to do that. And that has nothing to do with us. And number two, if there was a bill that was introduced that was moving through stages of debate that 33 people voted for on cloture to take healthcare away from you and your family or your children and you were filibustering that and we asked you to sit down, you would be enraged by that. It just-- I understand the frustration. This has happened in previous sessions where I have had a bill on the schedule and wanted to get to it and we couldn't because of an ongoing filibuster. It is incredibly frustrating. I understand what he's saying, but we are not the ones that set the schedule here. And, again, everybody knew what was going to happen. We talked about this. It was talked about for dozens of days, for several weeks before that vote on Thursday. Everybody knew what was going to happen, and it happened. And there's people in this body that, when they say they're going to do something, they follow through on it, and that's what's happening. Please be mad at the right people. I wanted to go back to what we were talking about earlier with the generational issues in terms of acceptance of people who are different. And, essentially, my ramblings on the mike earlier were basically me just saying that, a lot of times, we discredit kids and we look at them as less than and their ideas as less than and they have less value inherently. And unfortunately, we miss out on a lot of opportunities to learn when we do that. These kids are growing up in a

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completely different world than the one that we grew up in, in terms of so many different things. And I think if we are continuing to discredit children and their perspectives on the world, we're missing out on a huge opportunity to really understand the world around us a little bit better. I would yield the rest of my time to Senator Hunt.

HANSEN: Senator Hunt, 1:50.

HUNT: Thank you, Mr. President. Colleagues, since Brandon Teena in Nebraska, the second biggest harm that's happened to a trans woman in Nebraska was to a Latinx woman a few months ago who is now paralyzed. When Opportunity Campus opens in Terrell's district in the heart of north Omaha, what do you think those folks are going to look like? It's trans women living in the Lydon House coming out of incarceration. So, again, from a summary space, these are the people that we're fighting for. The data and numbers are there. And my aim is to stop perpetuating harm. And I would like one of you to join me in that by not voting either yourself or as a bloc on LB574. Thank you, Mr. President.

HANSEN: Thank you, Senator Hunt. Senator Vargas would like to welcome 14 community organizers from the Heartland Workers Center, which includes Omaha, Columbus and Fremont. They are seated in the south balcony. Please stand and be recognized. Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. I'm going to switch topics here quickly on a matter that we're going to be dealing with this afternoon and for the fellow Nebraskans that are watching. You know, tax cuts are, are important. But I think, for the state of Nebraska, everything I've done as a business owner throughout my 35 years of working in business, construction, development and, of course, trying to bring economic growth to the communities-- communities that we're in, I always proceed cautiously. And I have asked the, the Revenue Committee, you know, tell me a little bit more about what is the motivation. As a business owner, businessperson, I ask, like, what is the return on investment for some of these tax cuts, corporate income tax cuts? How will we know that the state is actually growing and benefiting from this? And then I also ask, you know, what are some of the lessons we've learned from other states that have implemented these types of corporated income tax cuts? And I ask, you know, can you share with me your findings for the state of Kansas, the state of Oklahoma and the state of North Carolina? Because I, as a businessperson, look to the impact of these type of actions have on other states and, and how they have weathered them or how it has

improved their labor market and economic growth. And, again, I'm going to cite the Center on Budget and Policy Priorities. And they look at the Kansas, the Kansas study. And, you know, we talk about and make fun-- like, what's the matter with Kansas? Well, I think Kansas had to learn some really, really tough lessons when they did it. It says, Kansas provides compelling evidence of failure of supply-side tax cuts. The-- and they go on to say, the deep income cuts that Kansas enacted in 2012 and 2013 for many business owners and other high-income Kansans failed to achieve their goal of boosting business formation and job creation. And lawmakers substantially repealed the tax cuts earlier this year. This was from 2018. Former supporters have offered explanations for this failure to prevent the Kansas experience from discrediting supply-side economic strategies and more broadly, but the evidence does not support these explanations. Rather, the Kansas experiment adds to the already compelling evidence that cutting taxes does not improve state economic performances. And so as we move forward in this dialogue and debate on corporate and income tax cuts, we have to ask tough questions. What is the return on investment for our Nebraska taxpayers? We'd like to hear more about that. I'm going to move on to Oklahoma. And here's what it said about Oklahoma. Tax cuts' drain on revenues would stifle Oklahoma's economic growth. Again, it says, the bills the Oklahoma house has passed to cut corporate and individual taxes wouldn't boost state economic growth or stimulate new business investment as intended. Even if lower taxes were the economic driver-- the bill's authors seem to think they are-- the state is already well-situated from that perspective, and it is likelier the bill's drain on revenues would harm Oklahoma's schools, services and workforce quality, thereby discouraging future investment. So, fellow Nebraskans, if you're watching, you know, get this on your radar. Do your own research. And we will be having a, a really good debate this afternoon on this matter. And I would like to yield the rest of my time to Senator Megan Hunt if she would like it.

HANSEN: Senator Hunt, 1:13.

HUNT: Thank you, Mr. President. I appreciate the time, Senator Raybould. Last night, Senator Jacobson was accusing me of, quote-- I wrote it down because it was wild-- rejecting values of those of us who live in rural Nebraska and who actually believe in Christianity. Rejecting the values of those of us who live in rural Nebraska who actually believe in Christianity. Notice the linguistics here. The guy is using name-calling. This is George W. Bush stuff and stuff that Trump epitomized as well, which is saying, are you with us or against us? Are you a patriot? Are you a Christian? Do you support farmers? And it's like you don't know what you're talking about. You're just

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using all of these labels as code without understanding what you're actually talking about. That supporting the trans healthcare bill--

HANSEN: That's time, Senator.

HUNT: Thank you, Mr. President.

HANSEN: Thank you, Senator Raybould and Senator Hunt. Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. I yield my time to Senator Hunt.

HANSEN: Senator Hunt, 4:53.

HUNT: [MICROPHONE MALFUNCTION]-- President. Thank you, Mr. President. Thank you, Senator Fredrickson. So for Senator Jacobson to accuse me of "rejecting the values of those of us who live in rural Nebraska who actually believe in Christianity," what else is he saying linguistically there by saying that? He's saying that urban people can't be actual Christians, that if you live in the vast metropolis of Lincoln, Nebraska or Omaha, Nebraska, you can't be a real Christian-- an "actually real Christian." And is he saying that rural support-- that rural people are not actually supportive of LGBTQ people? Because that's not what I hear every single day. Every day, all day. Phones, email, messages, Twitter, Facebook, Instagram, snail mail. I hear from people in rural Nebraska every day who are supportive of their LGBTQ neighbors and family members. So when he's using this coded language, "rural values" who "actually believe in Christianity," what is he talking about? He's talking about nothing real or rooted in reality or people's actual experiences. He's using coded, divisive language to characterize rural people as moral Christians and urban people like me as, you know, godless people with no moral rudder. And that's not true at all. It's, it's insulting to the Christians in my district. It's insulting to the Christians in urban parts of Nebraska. And it's very insulting and demeaning to the intelligence of most rural Nebraskans who don't want to see their LGBTQ peers and community members and family and kids and neighbors discriminated against by him. What he's talking about, colleagues, isn't Christianity. What he's talking about is Christian nationalism because there's no tenet of Christianity that says you have to hate your neighbor, that you have to reject people in the trans community. As far as my reading of Christian texts goes, that's pretty much the opposite of what Christianity teaches. It's impossible to follow the Jesus of the Scriptures while refusing refugees, expelling immigrants, demonizing Muslims, vilifying people

of color, worshipping power, neglecting the poor and rejecting people who aren't like you. And he said he was insulted. If he thinks it's insulting, he can be insulted. Be insulted then. That's your feelings. I think I would argue that this country isn't actually Christian enough. All of the things that some of you are trying to do to put God back in our schools. You think if you write "in God we trust" on the outside of a building it's going to do something to the moral fiber of the people in our state? When what you're doing with your own power here in the Legislature is turning around to legalize discrimination, to further the ostracization of a group-- a minority group that has no lobby out in the rotunda, that has nobody, you know, here representing a huge special interest for them. Not in the way that farmers have. Not in a way that "rural people" have. So ask yourself: are these things, Senator Jacobson, that you really believe or is this feeding into your persecution complex--

HANSEN: One minute.

HUNT: Thank you, Mr. President-- where you are only righteous if you're in the minority, in which you are persecuted because you are Christian. None of that is real. None of that is actually happening. Nobody is persecuting you. Nobody is trying to pass a law to say what you can and can't do with your own body. Nobody's trans identity is affecting you negatively in any way. Nobody's marriage is doing anything to your marriage. And nobody in Nebraska is asking us to make this a priority. We have a unique opportunity this year. With so many funds, we can put some things away for a rainy day. We can do something about school funding. We can do something about special education needs in this state. And we can do something for workforce retention. And I would seriously in earnest submit to you, colleagues, that doing something for workforce retention is killing LB574.

HANSEN: That's time, Senator.

HUNT: Thank you, Mr. President.

HANSEN: Thank you, Senator Fredrickson and Senator Hunt. Senator Day, you're recognized to speak. And this is your third opportunity.

DAY: Thank you, Mr. President. Going back to the discussion about a generational divide between young people and those of us here in the room, and even the older generation, we're missing out on a huge opportunity when we discount kids and their thoughts and the world that they're growing up in as irrelevant or unimportant. And I, I think it's an important, it's an important piece of, of making policy

decisions in terms of the fact that the legislation that we create and we pass is going to directly affect kids who are now 9, 10, 14, 18. These are the ones that are going to have to live through the generations of these bills once they are passed into law. And many of us in the room will be long gone when the effects of bills like LB574 come to fruition. I found a really great article here from the Organization of American Historians about how the old can learn from the young. How can the historical study of aging benefit from what historians have learned by studying youth? As someone who has spent more than 40 years learning about young people, I think that there is quite a lot of overlap between the two kinds of historical inquiry. This is true for two reasons: youth and old age are categories grounded in biology but defined by culture, and the fruitful areas of investigation historians of youth have opened are ones from which scholars of old age can learn. We've come a long way from assuming that there is something stable and fixed about lifecycle experiences that are dependent on biology. Youth is a very nimble category, a shapeshifter that has changed quite a bit over time. As a result, not only is how we define youth changeable, but we are also alert to the fact that age categories have fluid boundaries. Modern institutions, like high schools and colleges and Social Security, Medicare, tend to define youth as between ages of 14 and 22 and the elderly as those over 65, but these limits can and do change. Policies regulating Social Security can affect the age of retirement and therefore when we think we become elderly from the age of 66 today to 70 in some future administration. Birth certificates in the United States, as well as old age insurance and high school attendance by the vast majority of Americans, are products of the 20th century, as is our tendency to use fixed ages to define both. Youth is embedded in how societies are organized and influences law and social policies. It is also imprinted in psychological beliefs and medical practices. The way we categorize and think about youth and our modern emphasis on age segregation has affected the development of institutions such as schools and courts, concepts of justice and emotional development, brain function and sexuality. In studying youth, we have to examine the institutions in which this age group is given meaning and influences its development such as family, church and school. It means that we have to grapple with questions of friendship, marriage and work. I think that something similar is true for those whom we categorize as elderly and old. Of course, youth is not just a product of culture but, once set apart, influences and creates culture. In the 20th century, young people, as cultural actors, have had a very large role in determining patterns of consumption in music, clothing, media and language. In this way, they are important participants--

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ARCH: One minute.

DAY: Thank you, Mr. President. In this way, they are important participants in the modern consumer economy. And youth have influenced sexual mores and politics in ways that have sometimes disrupted efforts at social control. I thought that sentence was really great. Youth have influenced sexual mores and politics in ways that have sometimes disrupted efforts at social control. The study of aging too has the potential to enlarge our understanding of these matters. As a historical phenomenon, old age is not entirely new, but it is coming into its own in part because of the substantial aging of the population in the West and the considerable-- considerable extension in life expectancy. Our interest in aging grows from present-day concerns, much as the interest in youth and youth culture became compelling in the context of the 1960s when a baby boom and large population settled into high schools and colleges and began to make its presence felt. This sent some of us, myself--

ARCH: Time, Senator.

DAY: Thank you.

ARCH: Senator Linehan, you are recognized to speak.

LINEHAN: Thank you, Mr. President. Good morning, colleagues. I was hoping Senator Raybould would still be here because, when I was in Exec Committee under the balcony, I heard her talking about taxes and the tax bill. And I was hoping she'd be here so I can answer her questions, but I don't see her. Earlier this year in the beginning, we passed a rule that the introducer of a bill will get a chance to introduce the bill and talk about the bill before somebody could get up and complain about the bill. So when we have a rule, it's not just the rule-- like, you know, we don't have lawyers running around here making sure we're following the rules, but there's an intent there that the introducer gets to talk about the bill first. And it's a Revenue Committee priority bill that's coming up this afternoon, and I'll be able to answer all those questions. But I thought we were on this bill, so I'm confused. And I will stay on the floor now. [INAUDIBLE] here, somebody has questions about the tax bill, I would ask that we wait till this afternoon when we're on the tax bill or come to talk to me because I'm right here and I've been here all morning. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Hunt, you are welcome to close on your bracket motion.

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HUNT: Thank you, Mr. President. I wanted to wrap up my, my comments that I was sort of on a roll with on my last time on the mike. The comment that my values reject the values of people who live in rural Nebraska who are real Christians, as Senator Jacobson said, is really unacceptable and insulting to rural Nebraskans, insulting to urban Nebraskans. Very weird to divide the state like that and say that there's one type of morality and it only exists out in the country or something. But another thing he said and talked about quite a bit was that we're moving the goalpost. And I would like to understand what he meant by that. To say that we're moving the goalpost is very rich when, yesterday, we literally had a debate to change the rules, which-- when we talk about, you know, the, the idiom, "moving the goalpost," if you google what that idiom means, it means changing the rules in the middle of debate. Everything is projection. Look in the mirror. Look at yourself. Who is moving the goalpost? I said six weeks ago, we said six weeks ago: LB574 can't pass. It deserves to be treated like the bill that it is: unserious, bigoted, divisive. And a person in a real leadership position would have done that. We would find a way out of that and, and we're not there because now it's clear that discrimination and bigotry is a priority of this body. And you're saying it out loud. Speaker Arch, I would like a call of the house and a roll call vote. Thank you.

ARCH: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 12 ayes, 1 nay to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Albrecht, Senator Wishart, Kauth, Armendariz, McKinney, Bostar, Wayne, Erdman, please return to the Chamber. The house is under call. Senators Albrecht, Wishart, Kauth, McKinney and Wayne, please return to the Chamber. The house is under call. Senator Hunt, we are missing Senator Wishart and Senator Kauth. Would you like to proceed or wait? Senator Wishart, Senator Kauth, please return to the Chamber. The house is under call. Senator Kauth, please return to the Chamber. The house is under call. All unexcused members are now present. Mr. Clerk, roll call.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting no. Senator Bostar voting no. Senator Bostelman

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voting no. Senator Brandt voting no. Senate Brewer voting no. Senator Briese. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting no. Senator Erdman voting no. Senator Fredrickson voting no. Senator Geist voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting no. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting no. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. Vote is 0 ayes, 45 nays, Mr. President.

ARCH: The motion fails. Mr. Clerk for the next motion.

CLERK: Mr.--

ARCH: I raise the call.

CLERK: Mr. President, Senator Hunt would move to recommit LB376 to committee.

ARCH: Senator Hunt, you are welcome to open on your motion.

HUNT: Thank you, Mr. President. I think one reason that so many of you are fixated on LB574 to the degree that you're not willing to negotiate, you're not willing to compromise and you're willing to blow up the entire rest of this session for the opportunity to hate, discriminate, exercise bigotry and make the lives of trans and gender-expansive kids in Nebraska more difficult, I think the reason why some of you moved things along is that you don't want to have an actual argument about this issue because you lose on the merits of the argument. And a lot of times, you don't even understand the merits of the argument because you've drank the Kool-Aid. And when you're given these bills to support, you don't want to understand the science. You just want to move it along. And it's the same exact way with the abortion stuff. Remember when we had that bill from Senator Albrecht, the abortion reversal bill? Which is complete pseudoscience, backed by no research that's serious. It's based on this study, which-- I shouldn't even call it a study-- from this quack doctor named Dr.

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George Delgado, who's a palliative care doctor. He's not an ob-gyn. He's not specializing in reproductive health in any way or women's health. He's just an anti-abortion M.D., which to you guys is gold. That's, like, your favorite thing, when you find someone in the healthcare community who's willing to take your pseudoscientific, no evidence, no medical reason behind it, no research behind it types of ideas. And what happened with that bill was we ended up putting into statute that if someone is getting abortion care with a medication abortion and they take the first pill, that the doctor administering this care has to tell them that-- there's some language in statute that's-- like, they have to say this word for word or something. Like, if you act-- time is of the essence, is the, the phrase that you-- is funny to me. Time is of the essence. But if you change your mind about an abortion, you can come in and we can give you a pill that will reverse the abortion and increase the chances that you will continue with your pregnancy. What this pill is, this abortion pill-- which Dr. Delgado, by the way, is getting rich selling because he's a snake oil salesman who's shopping this bill to different legislatures. All of you in the Nebraska Legislature fell for it. It's Joni Albrecht's favorite thing to do, anything anti-abortion. So, of course, that was what she was excited to do-- from this quack doctor who's selling his abortion reversal kits online. So he's made in the shade. He's got, you know, a captive audience here for that kind of thing. But what that pill really is is just a super dose of progesterone. And what studies actually found-- and this was published in the New England Journal of Medicine, not the quack journal that he had his study published in. Which, by the way, if you look at the original study that George Delgado published, it was also full of typos and misspellings and grammar errors. On the very front of the study that was published, he spelled "San Diego" wrong. Like, the guy's not serious. And I can't believe we passed a bill based on anything that he's ever done. But in a real study published in the New England Journal of Medicine that research doctors did, it found that, in people who took the abortion reversal pill versus people who took a placebo, the difference was exactly the same. You know, if you take the first abortion pill in the normal course of a medication abortion-- you have mifepristone and misoprostol. If you take mifepristone and you don't take misoprostol, you have the same likelihood of continuing your pregnancy as if you took the progesterone pill that Senator Albrecht and all the rest of you said that we had to put into statute. This is the kind of anti-science, follow-the-leader, "you don't know what you're talking about" stuff that I'm talking about. And you can believe in your heart that abortion is wrong. No one is saying don't do that. The thing is you

can't legislate and put into statute untested, experimental treatments that could end up really harming people. OK. So now you're going to turn around and say, but Senator Hunt, isn't healthcare for trans youth exactly the same thing: untested, experimental healthcare? No. To that, I would say, you don't understand how this healthcare actually works. If you were to get your information from Fox News or Breitbart or Newsmax-- which I know several of you like to play 24/7 in your businesses-- you would be getting misinformation like that. But if you talk to any healthcare provider, dozens of whom testified in opposition to that bill, which Senator Ben Hansen cut off testimony for-- and we didn't even get to hear from every expert that wanted to come in and share their experience and knowledge about trans healthcare. That's not how trans healthcare works. It is backed by science. It's backed by decades of results and research. And it's backed by results that you can just see from person to person. The rate of medical regret for people who transition, whether it's a social transition or a medical transition, whether you're taking hormones or you get a surgical procedure, which is less and less common-- we know that when people are affirmed as they are, when they are left alone to live life and do what they think is best for them in conversation with medical providers, their families and support systems and their faith, that they're much happier people for that. And a lot of you who don't even know a trans person, let alone have held their hand and gone through the-- you know, a process with them or anything like that-- why would you know something like that? Nobody would ask you or expect you to know something like that. But what we would expect you to do is listen to the experts who do know. Listen to the dozens of healthcare experts and healthcare providers who came to testify in opposition to that bill, who, on any other issue-- if we're talking about hearing aids, if we're talking about cancer treatments, if we're talking about opioid addiction-- you guys all go out into the lobby and you ask a physician or a healthcare provider or research how you should vote. You ask them to explain the science to you. But if we're talking about a women's reproductive healthcare thing or a gay thing, all of a sudden to all of you the doctors don't know what they're talking about. How is that the best way to make policy? And why are we seeing such a focus in our state legislatures across the country on legislating people's healthcare, coming from bodies of elected officials who have no experience or expertise in healthcare or medicine? It makes no sense to me. It is-- I know that a lot of you don't actually harbor these feelings. I know a lot of you are worried about being reelected. You're worried about sticking out. It's the same reason a lot of you don't get on the mike, because you don't want to be targeted the way trans youth in Nebraska are targeted. And you

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don't have the same kind of courage that they have to have and display every single day. I, I do think it's a little more common for people in younger generations, Gen Z, Gen X-- or, Gen Y-- doesn't matter. I don't have to name what the generations are. I think it's more common for younger people because they are so affirmed because they're more likely to have parents and caregivers and schools and loved ones that affirm their identity--

ARCH: One minute.

HUNT: --and they don't face the same stigma and discrimination that older generations faced, that it's more common for younger people to perhaps do fewer medical interventions. Because when they socially transition, when they change their clothes or their name, they are met with more affirmation and acceptance. And so they aren't seeking any other kind of validation. And that's a generational difference and a trans experience, I believe. And certainly as we get older, we do all kinds of different gender-affirming things. We get haircuts. We wear makeup. Maybe we get Botox and filler and things like that. People, as they get older, they want to look their best in their own eyes, and trans people are exactly the same. But I don't think that there's the same attitude around the necessity of medical transition to be a real trans person among the younger generation. But the way this bill, LB574, stigmatizes young people who seek care, harms them just by being introduced.

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President, colleagues. So I'm going to get back to-- actually, I was going to see if Senator-- no. I will ask off the mike of the, the staff if there's other amendments that we need to get to. I like to be mindful of that. But I'll, I'll ask that between now and my next time. OK. So I'm back to the procurement conversation. This is the deposition of Matt Wallen in the lawsuit when we awarded the child welfare contract to Saint Francis Ministries. Question, "When you became division director then, did you have any-- strike that. As division director, do you have any responsibility with respect to procuring services for the division?" Answer, "Yes." Question, "What is that responsibility?" Answer, "To assure that the division has an appropriate service array of services to provide the appropriate services to families and children that come

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into the care of the department." Question, During your tenure as division director, could you estimate how many procurements of services from private vendors you're, you're aware of or had any responsibility for? Answer, "I would say somewhere between 10 and 15 procurements, and likely I would say 30 to 50 contracts or subawards in the child welfare arena and subawards with, gosh, probably over 90 counties for child support enforcement services on part of the IV-D program." Question, Mr. Wallen, with respect to the 30 subawards for child welfare and the-- strike that. With respect to the 30 or so subawards in child welfare, are those respectively-- are those competitively bid contracts? Answer, When I started, they are-- obviously, going back to 2017, they are not competitively awarded. They are basically given on, I would say, a need basis of who can provide services and meet the needs of children and families in a particular service area. So they were not competitively bid. We have moved over the last two years to a competitive, competitive process, so we would-- we have competed or run an RFP or an RFA or an RFQ for a whole host of different services. Question, OK. And was that your decision to begin competitive bidding-- competitively bidding those subawards for child welfare services? Answer, "Uh-huh. Yes." Question, "Why did you make that change?" Answer, "We wanted to improve outcomes, and we wanted service providers to provide in response to RFPs what services they could provide and what outcomes they could achieve. The full intent and purpose of running an RFP was to improve outcomes for children and families." Question, "And in your view, the competitive bidding process will help in that objective of improving outcomes?" Answer, "Yes." Question, With respect to the 30 or so subawards in child welfare that you mentioned, you state-- you started competitively bidding those. And those procured through DAS-- are those procured through DAS or DHHS in terms of managing the procurements? Answer, Some of-- some are managed through DAS and some are managed through DHHS, our own procurement shop. Question, "And you mentioned another category of procurements, I believe at the beginning of your comments. As division director, there have been 10 or 15 procurements. Is that correct?" Answer, "Uh-huh." Mr. Post, Make sure you answer-- verbal instead of "uh-huh." Witness, "OK." Mr. Kenny, question, And of those 10 or 15 procurements, Mr. Wallen, did DHHS-- the procurement on the-- manage the procurement on those, or DAS, or was there a mix? It was a-- answer, "It was a combination." Question, "What are the-- could you describe what types of procurements you-- the division will procure itself through DHHS procurement versus DAS? When do you decide to have DAS manage the procurement?" Answer--

ARCH: One minute.

M. CAVANAUGH: Answer, "It usually depends on workflow and-- workflow and, I guess, scope of services or complexity of the actual procurement." Question, How do those factors weigh in-- weigh? In other words, you have DAS manage the larger scope, more complex procurements? Answer, "That's correct." Question, "Are you aware of any material differences between DHHS procurement process and the DAS procurement process?" Answer, "No." Question, "Is it your understanding that DHHS procurement and DAS procurement have the same ultimate objective?" Answer, "Yes." "What is that objective?" Answer, To run a fair and open competitive-- competition for services. I think that's probably a good place to stop. And I will just get back in the queue. Thank you, Mr. President.

ARCH: Senator Day, you're recognized to speak.

DAY: Thank you, Mr. President. I wanted to read an interview here that was done on NPR about families with trans kids leaving the state. This is from April of last year. And this is specifically about Texas, but I don't think it's farfetched to imagine the exact same thing is happening here in Nebraska or will be happening. It says, "The Texas governor and attorney general say gender-affirming care for trans kids is child abuse. Some families with trans kids are now relocating to continue the care they say their children need." Rob Schmitz is the host, and he says, "Some Texas families with trans kids are leaving or are considering leaving the state. That's because Texas Governor Greg Abbott called parents who got their kids gender-affirming care 'child abusers' and said they should be investigated. Houston Public Media's Sara Willa Ernst reports these families don't see a future in Texas." Sara Willa Ernst, byline-- Mom, Dad and the kids are huddled in their TV room in Austin. Eyes are glued to a video game. The dad, Brian, is managing the controller, but it's his kids who are the real brains of the operation. Ernst, "Brian and his wife, Susan, are the parents of five-year-old twins, including a transgender girl who started expressing gender variance at age two." Ernst, Their daughter has grown out of her hair-- excuse me. Their daughter has grown out her hair and changed her pronouns. She isn't old enough for puberty blockers, but Brian and Susan are still worried about getting reported to Child Protective Services, which is why they asked we only use their first name. Brian, "I don't want to leave. On the other hand, if we had to, I know we'd be OK. Yeah, it's just kind of crummy." Ernst, "Only in recent months, conversations about leaving Austin have become plans. That change happened in February when the governor and AG started calling gender-affirming care 'child abuse.'" Susan, "My worst fear had come true with no warning and no time buffer or anything." Ernst, "Fear describes most of the past year for Susan and Brian. They

followed bills in the legislature that sought to criminalize gender-affirming care. Those ultimately failed, which led to the governor's directive months later. An injunction currently puts these investigations on hold, but Susan isn't hopeful." Susan, "I just can't picture a situation in which this doesn't get worse." Ernst, "Susan and Brian, both who work in education, are looking for jobs in states with stronger civil rights protections for trans people." Susan, "It never crossed my mind that we would go anywhere else, but I can't do that anymore." Ernst, "So now they're preparing to say goodbye to Texas." Susan, "I can't think ahead to a time when my kids are older. I can't imagine buying a home. I don't even feel comfortable taking a job here." Ernst, "Susan's heartbroken to leave her sister and the kids' grandparents. Moving elsewhere is on the table for many others, says Shelly Skeen with the LGBTQ rights group, Lambda Legal." Shelly Skeen, "I really can't think of any parent that I've talked to who hasn't considered this." Ernst, "But not all the 50 families in her group is working with have the means to relocate." Skeen, "It takes a pretty big toll on the families cause-- it takes a pretty big toll on the family because you're taking your kids out of school and you're bringing them to a completely different place. You've got to maintain an apartment. People just can't do that. Rachel, "I definitely don't feel like I'm on the other side of it. I wish." Ernst, "Rachel, her husband and their three kids are from north Texas. She and the kids have just moved to Colorado. That's because one of the children is nonbinary and another is a trans teenager on hormone therapy-- the kind of treatment the governer--

ARCH: One minute.

DAY: --is targeting." Thank you. "And because of that, Rachel asked we only use her first name as well." Rachel, "The time has been, like, a slow unraveling of stress." Ernst, "They're staying with family until they can find a house. Her husband, who works in IT, is still back in Texas until he can relocate." Rachel, "We still have so many things that are in transition. Just feeling really paranoid about, you know, any connections that we have and how those could bite us." Ernst, "The difficulty of letting go is balanced by the welcome she feels in Colorado, such as gender-inclusive bathrooms at the school she's considering for her kids. She believes that now her family has a real shot at happy, healthy lives. For NPR News, I'm Sara Willis Ernst in Houston." And I yield, yield the rest of my time.

ARCH: Time, Senator. Senator John Cavanaugh, you are recognized to speak.

J. CAVANAUGH: Oh. Boy. Thank you, Mr. President. Well, I've been listening to the conversation. I've been doing some other things, so I appreciate what everybody's been saying. And I-- and it's interesting. But I guess-- well, first off, I guess I should go back to talking about-- I did show Senator Hunt my handwriting. And though I do appreciate her giving me the benefit of the doubt, after her inspection, she conceded that I do have bad handwriting. It's particularly egregious. And we had-- I know we had a conversation at some point earlier this session about left-handedness being something that wasn't accepted for a long time. And then once we accepted left-handedness, that it-- you know, the number of left-handed people became, you know-- proliferation-- or, much more people turned out to be left-handed. What happened to me was my handwriting was so bad in grade school that they assumed I must have been left-handed and was forced to be right-handed. And so then for about a, a school year, I was forced to be left-handed. And that turned out to be even worse than the right-handed writing, so I went back to right-handed. I'm just somebody who can't write well, I guess. I-- like I said, we all have our, you know, talents in life and hand-- calligraphy and handwriting is not one of the things that would be what I-- not a virtue I bring to the conversation. But I, I did mention earlier-- I wanted to talk about-- I talked about the access to mental healthcare. And we passed Senator Wishart's bill, LB276, the other day, which was a-- I think is a good step in the right direction. And then we had some other, I think, budgetary requests for funding to make sure that people have access to mental healthcare. I think that's particularly important in just sort of the broader conversation we're having about this, but it's important as it pertains to criminal justice reform. You know, access to mental healthcare is extremely important. My priority bill last year included ensuring that those individuals who-- when they were released from custody, who were qualified for Medicaid, would be on it-- would be signed up. The department would facilitate-- make sure that they got signed up for Medicaid so they could walk out of the facility with a Medicaid card and be able to go get their continued meds because what generally happened-- happens, I guess. This bill hasn't gone into effect yet-- is when somebody leaves, say, Douglas County Corrections, they go to-- Douglas County Corrections, provides them with, you know, a couple of weeks, a month of their medication if they have it. And then that person, you know, runs through that medication and, and doesn't refill it because they don't have access to healthcare. And even though those are individuals who qualify for healthcare under Medicaid, they have historically just not filled out the form properly or don't have a permanent address, so it's hard to get in touch with them. So that's the solution that we

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are seeking, is to make sure that we get at least the card in hand so they can go to a, a provider and get their meds filled and get services. And-- but I, I brought that bill specifically as a way to address recidivism in our criminal justice system. And so all of the things we do here, you know, it seems like-- some of them obviously clearly seem like they're connected to each other, but a lot of them seem like they are unconnected and have no relationship to one thing. But, really, in the instance of access to mental healthcare and mental healthcare providers, paying for mental healthcare access--

ARCH: One minute.

J. CAVANAUGH: Thank you, Mr. President-- that is a-- very clearly be drawn a connection between that and criminal justice reform issues. Because if we get people access to healthcare, they take advantage of those services, they're less likely to end up in jail the first time, second time, third time, reduce recidivism, increase stability in their lives, improve outcomes in general for their families, decrease number of crimes that are committed, which decreases the number of people who are victims. We save money in terms of cost for incarceration. We save money in terms of cost of policing and, and prosecution. We improve people's lives both as the victims and the ones who are committing the crimes. And so access to mental healthcare is an incredibly important part of how we address our prison overcrowding issue and how we address criminal justice in general in the state of Nebraska. Thank you, Mr. President.

ARCH: Senator DeKay would like to welcome 20 students and four sponsors from the fourth grade at Plainview Elementary School. They are seated in these-- in the north balcony. Please rise, students, and be welcomed by your Legislature. Senator Hunt, you are recognized to speak.

HUNT: Thank you, Mr. President. My school never got to come here when I was in fourth grade. And every time I see your shining, young faces up in the balcony, I just feel so happy for you that you get to come to this beautiful building and see the work that we're doing and learn about the great history of our state through this building. It's really cool. I think this is one of the most beautiful buildings in the state. And I also think it's one of the most beautiful state capitols in the whole country. So, thank you for being here. I, I hope that you all have fun at the Capitol today. Returning to the conversation I have been having this morning, what I want to impress upon all of you and the reason that-- this being the first bill to target LGBTQ, transgender, expansive people to make it this far in the

Nebraska Legislature, the reason that's such a problem and why I don't think we should let this become a norm and let the culture of our state and of this body keep backsliding farther toward the radical right is because even the effect of introducing these bills has a negative impact on gender-expansive and questioning youth as well as the greater LGBTQ+ community in our entire state. This has a severe, adverse effect on the mental health of trans people. In December, a new study showed that every time an anti-trans bill is passed, internet search results for the words "depression" and "suicide" go up. But when an anti-trans bill is defeated, the number of searches for those terms drops. The study also found that debating the bill has an impact on those search terms. So, you know, it's not just the debating of these bills and the passage of these bills that has a negative effect on the trans community and LGBTQ community's well-being. It's what many trans people have reached out and told-- you have certainly told me, that the constant barrage of these proposed bills is what makes them feel hopeless, because it reflects exactly what my son said to me, who said, no one in school is bullying me. None of my teachers are making my life hard. I'm a normal kid and I feel like a normal kid. And no one says anything to me except my mom's colleagues, except lawmakers. No one at the grocery store. No one at the track meet. No one at Target. No one going around in our day-to-day life. No one in our neighborhood who lives on our block, where my son walks our dog every day. None of those people are bullying him or making him feel any negative emotion. It's only lawmakers. I am upholding decency. And I'm insisting upon decency by refusing to reciprocate the empty civility that you have shown me. I am refusing to reciprocate the empty gestures of civility from my colleagues because that is not the same thing as kindness and civility. It's not the same thing as collegiality. What gets me is the total asymmetry of stakes. There are numerous bills that would help many communities in our state. From a financial perspective, from a rights perspective, from an educational perspective, there--

ARCH: One minute.

HUNT: --is a lot of good that we can do in our state with the bills that we have before us this session. But what gets me is the difference in stakes. I am fighting for all trans youth and all trans peoples' continued healthcare, which would be banned under this legislation, whereas the rest of you are upset due to being told the consequences of that in a forthright way. It's all performative. And I want you to show me that you have an interest in actual governance even if it doesn't generate publicity and donations. Because you figured out that the culture war wedge issues are easy to leverage,

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they generate massive amounts of money, they secure your seat for reelection, but they have nothing to do with what Nebraskans are actually asking us to focus on. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President, colleagues. After this bill, we have a tax package bill. And it is a large package. I don't even know when it was kicked out of committee, but I know it was in the last week. And we're going to be debating that today for eight hours. And I think there's going to be a lot of conversation around economic development and stimulus, workforce shortages, recruit and retain. I see members of the Chamber out, out in the-- behind the glass. And you can't recruit and retain people to a state that legislates hate. No one's going to move here no matter how many taxes we cut, no matter how much money we put back into the pockets of the taxpayers if we are taking away civil rights, if we are taking away human rights. The Chambers know that, but they're too terrified of people in this body and more terrified of people on social media that-- to show up, stand up, do the right thing. They're more concerned about people in this body giving retribution to the things that they care about than they care about doing what's right and standing up for what's right. It's unfortunate because they're going to work themselves out of a job if they don't advocate against legislating hate, legislating human rights violations, legislating civil rights violations. If they would care just a little bit more about the people that they need for the workforce, for the jobs that they're trying to create here in Nebraska, for the businesses that they're trying to get here and the people that they're going to need to get here. If they would care just a little bit more, maybe you all would care a little bit more too. So I look forward to that conversation. I've heard it many times over and over again about how we have to cut taxes because it's going to destroy the state if we don't. People are going to leave in droves if we don't cut taxes. You want me to believe that when people live here, work here, have families here with the current tax structure, yet you won't believe myself and Senator Hunt when we say people will leave in droves if you come for their children. The workforce will leave if you come for their children. And then, eventually, when you come for the adults, they're not going to be here. So I look forward to being told how I should believe that these tax cuts are the answer to our workforce problem when you won't believe that civil rights violations and human rights violations and parental rights violations are going to drive away a workforce that we already have and block another workforce from coming. My office received a message just a little bit

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ago from a healthcare provider saying that they have patients that are leaving the state already.

ARCH: One minute.

M. CAVANAUGH: Patients already leaving the state because of this Legislature, because of prohibitions proposed to healthcare access by this Legislature. And we're going to see that more and more. I have medical professionals telling me that they're going to leave this state. People who are at the height of their profession-- because we have world-class medicine in Nebraska-- are going to leave the state because this body is insistent upon legislating hate and taking away healthcare from a specific, targeted minority population. And somehow it does not sink into this body that you are committing a human rights violation by doing that. That is a step in the eradication of a population.

ARCH: That's time, Senator. Mr. Clerk.

CLERK: Mr. President, some items. Amendments to be printed: Senator von Gillern to LB807; motion to be printed from Senator Hunt to LB376. Additionally, new LR from Senator Dorn. That'll be laid over. Notice that the Appropriations Committee will hold an Executive Session today in room 1307 over the lunch hour. Appropriations, Exec Session today in 1307 over the lunch hour. Finally, Mr. President, Senator Bostelman would move to recess the body until 1:00 p.m. today.

ARCH: Senators, you've heard the motion to adjourn-- excuse me-- recess until 1:00. All those in favor say aye. Opposed, nay. We are adj-- we are recessed till 1:00.

[RECESS]

ARCH: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk.

CLERK: There's a quorum present, Mr. President.

ARCH: Mr. Clerk for items.

CLERK: Mr. President, motions to be printed: Senator Machaela Cavanaugh to LR1CA, LR22CA. That's all I have at this time, Mr. President.

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ARCH: Thank you, Mr. Clerk. Senator John Cavanaugh, you are recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I didn't remember that. Let's see. So where are we? We're in the afternoon on March 29, and we are on a recommit to committee motion. And we have AM1013 [SIC-- AM1033] up on the board to the E&R amendments. And the underlying bill is LB376. So to remind everybody, because I think we're getting close to the end here, if we ever do get to the underlying bill, LB376 is a committee priority out of the General Affairs Committee that has a number of relatively small, but I would say consequential, amendments to the Liquor Control Act, which includes things like increasing the number of special designated liquor licenses so charitable organizations, instead of being limited to six in a year, can get a-- get 12 in a year, and has a change in, I think the Farm Winery Act section license where they can also get a, I guess, a general off sale for other products that are not produced on the farm winery. There is a section about out of-- or, licenses, registration of importation of specific alcoholic beverages. They have to have their brand registered with the state, their, their item, and they have to pay a registration fee. And it provides for the creation of a digital system that will allow the Liquor Control Commission to track those things. There's a part of the bill that addresses a new problem that I discovered during the hearing. I was unaware that there are places that are both retail and commercial or, I guess, individual distributions. So, like, a bar and grocery store I guess would be the equivalent. And so the-- this is the channel pricing, I think is what it's called. It was Senator Hughes's bill that addresses there are places that you can go and buy a drink, and then you can also go and buy, you know, a case of beer or a case of wine or something and addressing how those-- in the current system, it's a little unclear how those, those are sold to them through the wholesale process, and so this clarifies that, helps those wholesalers and retailers be on the same page about what the pricing is. And I'm sure I've missed something else that was in this bill at this point, but that's-- I would say all of those are good, commonsense solutions, step in the right direction. And so I support LB376. I would oppose the motion to recommit. And I'm assuming AM1033 is not going to make too many changes, but I do support the E&R amendments. So with that, I'd yield the remainder of my time. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you are recognized to speak. And this is your last opportunity.

M. CAVANAUGH: Thank you. Good afternoon, colleagues. I hope everyone had a nice lunch break. I rise in support of LB376. And I think we have about 25 minutes left on this bill, so we'll be getting to a vote on it soon. I set my stuff down too far away. Many of you-- I think everyone pretty much-- probably spoke with the American Foundation for Suicide Prevention, and they were handing out some really important materials. And this is a little information sheet that they sent to me-- or, handed to me, so I wanted to share it. LB574, dubbed the Let Them Grow Act, would prohibit gender-altering procedures for individuals under 19, which includes surgical procedures, hormone treatment and puberty blockers. LGBTQ+ youth are at increased risk of attempted-- attempting suicide compared to their straight, cisgender peers. Transgender youth report an even higher prevalence of suicide attempts than their LGBTQ-- their LGB or straight peers. A survey on LGBTQ youth mental health conducted between September and December of 2021 found that Nebraska LGBTQ youth ages 13 to 24 in the prior year, 50 percent seriously considered attempting suicide, including 58 percent of transgender and nonbinary youth; 15 percent did attempt suicide, including 22 percent of transgender and nonbinary youth; 85 percent reported recent politics having negatively impacted their well-being. 85 percent reported recent politics having negatively impacted their well-being. The social stigma, prejudice and discrimination associated with minority sexual orientation contributes to elevated rates of suicide-- suicidality and poorer mental health found in LGB people. This includes institutional discrimination resulting from laws and public policies that create inequities or fail to provide protections against discrimination. Research supports a significant relationship between access to gender-affirming hormone therapy and lower rates of depression and suicidality among transgender and nonbinary youth. Access to puberty suppression treatment is also associated with lower odds of lifetime suicidal ideation among transgender adults. A study published in 2022 found that recent, the receipt of gender-- receipt of gender-affirming care by transgender and nonbinary youth, including puberty blockers and gender-affirming hormones, is associated with 60 percent lower odds of moderate or severe depression and 73 percent lower odds of suicidality over a 12-month follow-up. Every major medical, psychological and psychiatric association agrees that withholding science-based treatments can be psychologically damaging, especially to youth who are struggling with their gender identity. These organizations all endorse gender-affirming standards of care and treatment derived from decades of scientific research and on-the-ground experience. So that's from the American Foundation for Suicide Prevention. There's some great materials in here that were handed out by the Suicide Prevention

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Foundation today. I hope everybody got them. Suicide data in Nebraska. Suicide is a public health problem and leading cause of death in the United States. Suicide can also be prevented. More investment in suicidal prevention, education and research--

ARCH: One minute.

M. CAVANAUGH: --will prevent the untimely deaths of thousands of Americans each year. Unless, unless otherwise noted, this fact sheet reports 2020 data from the CDC, the most current verified data available at the time of publication, March 2022. So this is my last time in the-- on this item, so I will be speaking on the next item on the board. Thank you.

ARCH: Senator Hunt, you are recognized to speak. And this is your last opportunity before close.

HUNT: Thank you, Mr. President. Colleagues, many of you know the story of Brandon Teena, a transgender man who was killed in Humboldt, Nebraska in 1993. And since that brutal rape and murder of Brandon Teena, the next most brutal attack on a transgender person that happened recently was on a Latinx woman in downtown Omaha who is now paralyzed. She was in the hospital for a long time, and it's because of hate that is normalized by Senator Kathleen Kauth and by those of you in this body who didn't have the courage to not just, you know, perhaps be a not vote on her bill, but even to take her aside or get a caucus together of, of some of your like-minded colleagues, some of the people who really do care, as you say you care, about school funding and funding for special education, talking about some of the tax relief and tax breaks that we're going to be discussing later, any of the different proposals that are coming before us in this Legislature. It would have been right for you to get together and say this is not going to end up being something that is a priority for us collectively as a majority in 2023. You could have said we're looking at what's happening around the country, in other states, and that is not what we are like. We are a reliably conservative state. We've got our new man, Governor Pillen, at the helm. We have our votes. We have our majority. And we don't need to demean ourselves in the work that we do by stooping to the level of the social-- just, just the discriminatory violence that lawmakers put upon the people they represent who aren't doing anything to hurt anybody. The way we go out of our way to harm people who didn't do anything to you, who haven't harmed anybody, who haven't impacted anybody in your district's ability to make a living or take care of their own families and kids. You're going after some of the most marginalized, some of the most

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discriminated against, some of the least protected people in society, plus their children. It's not enough to talk about Brandon Teena, who was 21 years old when he was raped and murdered by two men who discovered he was transgender. It's not enough to look at the, the assault and paralyzation of a transgender woman in Omaha who was assaulted a couple months ago. You're saying, how can we train that same kind of hatred and discrimination on children, on the least of the protected people in this state? I bet all of you, not 90 percent of you, I bet 100 percent of you who are listening to me disagree. I bet you think, but, Megan, look at how I defend life from conception. How could I not care about children? Look how I come down here for the prayer every morning before we convene. How can I not care about children? You know that your values have to be exercised through works and deeds, not just words. And using the hammer and the strength and the arm of the law, which--

ARCH: One minute.

HUNT: Thank you, Mr. President-- which we represent and embody, to target and discriminate against people who are not doing anything to harm you is a gross misjudgment of what the privilege and power of this office is meant for. Brandon Teena's story was immortalized in the film *Boys Don't Cry*, that starred Hilary Swank. And that film brought national attention to the challenges faced by transgender people, particularly those living in rural areas like Humboldt, Nebraska, where support and resources may be limited and where they look at their lawmakers and their elected representatives and they see people like you who are perpetuating the hateful ideas that led to this rape and murder. Thank you, Mr. President.

ARCH: Senator Blood, you are recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I'm sad that more people aren't back from lunch to hear this. But nonetheless, I stand opposed to the recommit to committee and in support of the underlying bill. But with that said, listening to Senator Hunt today speak on the mike and Senator Jacobson last night when they made their comments on religion, the data geek in me remembered a report and several stories that were put out by both Pew Research and the American Survey Center last year, maybe the year before, and they noted something that I think that we as policymakers need to take note. Because when we make policy, we tend to lately make policy based on our own personal beliefs, sometimes party, sometimes ideology. And we hold firm that that's how the world's going to be in 20 years. But Science Facts' data shows differently. What we know is that one-third

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of Gen Zers are not religious, and it's not an urban-rural thing, by the way. Part of this is because more and more young adults are being raised in nonreligious households. Right now, 22 percent of young adults say they are not raised in any particular region [SIC-- religion] compared to 3 percent of my generation. If you filter through the news stories that surrounded this data when it came out and you listen to the Gen Zs, it's very, very clear that they want to help people and they want to shape the future through personal efforts. And you see that a lot in the young people that come to the Capitol right now. However, they also often feel that certain religious aspects of some churches or religions are just tearing away that momentum and oppressing certain demographics are hurting them, much as you've heard on the mike the last week. Demographics such as our LGBTQ, LGBTQ community, women who want to make their own healthcare decisions, families who may not look like yours. Instead of showing how a church or religion can be used to help people, churches and religions sometimes have helped to craft policies that stifle their efforts to shape a better future for all. As a result, young adults want nothing to do with religion. So when we talk about religion on the floor and we talk about how we know Nebraskans want us to do something, I'm telling you that if you look at the trends, if you look at the demographics, you're going to see a very different Nebraska in the next 10 to 20 years, and you already are starting to see it. Millennials and Zoomers are leaving religion because they are questioning religious authority. If you look at current data, there is a rapidly, rapidly secularizing America that is going to greatly alter our culture and our politics. And again, you are starting to see that. Baby boomers are retiring, which leaves Gen X and millennials to bring structure. And this will be a huge shift, a seismic shift. Just think about it. Think about how different what's going on in here is going to be. But yet, when we make policy, we dig our heels in the ground and we say we know best based on our religion, our ideology, our party. We're not looking to the future. We're not looking at the pages in the front of the room. They know what it's going to be like in the next 10 to 20 years. Last year, 35 percent of Gen X said they identified with no religion; 60 percent of Gen X said they never or seldom attended church. 60 percent, guys. Millennials said 45 percent do not identify with any religion and 6 percent also said that they never attended or seldom attended church. And so what does that mean for us here in this body? When I hear people stand up and say, you--

ARCH: One minute.

BLOOD: --you don't understand something because I'm this or I'm this, and you must listen to what I have to say, that tells me that we are

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out of touch with the science, the facts, the data, the people in Nebraska that have reached out to us over and over again to say, hey, my life is different than yours, and I need you to respect it. My healthcare decisions are my own, and I need you to respect that. If you won't listen to the stories, listen to the science, the facts, the data, because I guarantee if you think we're going to be the same Nebraska in the next 10 to 20 years, I'd love to put some money on that and come back and visit you in the next 10 to 20 years. Thank you, Mr. President.

ARCH: Senator Lowe, you're recognized to speak.

LOWE: Thank you, Mr. Speaker. Just a reminder, we are now speaking on LB376. It is the Liquor Control Commission bill for the day. LB376 originally was brought to identify alcoholic products being imported or produced in Nebraska. AM296 set fees by the commission and they are not to exceed \$30. This includes new language to establish licensed wholesalers in Nebraska that may import alcoholic liquor from an affiliated wholesaler out of state if the report required in this section has been previously been submitted for the product and the product was obtained by affiliated wholesalers from the same primary source of supply identified in the report. It also remits fees collected pursuant to the State Treasurer for credit to the Nebraska Liquor Control Commission Rule and Regulation Cash Fund. LB259 was added to it. It adds language to Section 53-123.11 of the Liquor Control Act to allow a holder of a farm winery license to obtain a retail license to sell beer or other liquor that is not produced on the farm winery for consumption only on premise. LB377 is also in the underlying bill, and that is to allow for 12 special designated liquor license per year for nonprofit entities. They are currently allowed only six by the Liquor Control Act. LB596-- also in the underlying bill, LB376-- clarifies the Liquor Control Act as to expressly allow liquor manufacturers and wholesalers from entering into sponsorship and advertisement agreements with certain organizations, including nonprofit organizations. And LB667 is to authorize alcohol wholesalers to use channel pricing for the purpose of reconciling wholesalers' pricing structures under the Nebraska Liquor Control Act to retail licenses who sell alcoholic liquor for consumption both on and off premises. And AM472, the holder of a microdistillery license may sell directly for resale up to 500 gallons per calendar year of microdistilled products at its licensed premises directly to and off sale as long as they are delivered by a person who is employed by the microdistillery. I think, if it would have helped, I should have brought some of these products to the floor to make everybody a little more amenable in the last couple of weeks. I'm seeing that in

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hindsight, but I'd probably be violating some law somewhere, and we don't want to do that. So please vote in favor of LB76-- or, LB376, against AM1033, and against the motion to recommit. Thank you, Mr. Speaker.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And good afternoon, colleagues. I just want to rise in support of the moment of levity that my friend Senator Lowe brought forward on the mike. There's no doubt in the middle of good times and bad times a little levity goes a long way in reconnecting over our shared humanity and commitment to service and just lightening the mood a little bit in what's been a pretty, a pretty heavy session so far. So I, I think that that is a big part of his personality. And I think that's an important and effective tactic in terms of helping us to stay in relationship and helping us to stay in dialogue even when it's tough and finding opportunities to find joy and celebrate together when we are able to find successes as an individual or as a collective. A couple of points that I wanted to just kind of raise in regards to this particular measure-- and I know that we're really nearing the, the end of debate on LB376 and then we'll be transitioning into some, some tax issues, and I think there's actually a nexus and a connection there that I wanted to lift up. So you may have heard some of my comments last night discussing miscellaneous taxes in Nebraska and the different revenue amounts and streams they provide for funding different aspects of critical government services. And I had the, the pleasant opportunity to walk out with the director of the Liquor, Liquor Control Commission, and he has done a great job on behalf of Nebraska. And Mr. Rupe also kindly reminded me that their commission is actually the second highest revenue generator of any state agency that's out there. And I think that's, you know, very important to put it in perspective. Now, of course, we'll probably see the Gaming Commission perhaps jump over the Liquor Control Commission in terms of revenue generation at, at some point in, in the near or mid-term kind of future before us. But I do think it's also important to keep in mind good bills that Senator McKinney, Senator Wayne and others have put forward, Senator Wishart to a certain degree as well, in making sure that we have a more sensible drug policy that follows the regulation of our liquor control policy, for example, or our gaming policy, for example, that helps to advance racial justice, that helps to address mass incarceration and that generates revenue. And I do hope that this body is serious-minded in either responding to the outpouring of support for issues like medical cannabis or even a broader kind of approach to recreate-- to sensible drug policy that some of our sister states have gone down in

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taking that to account when making revenue decisions, when looking at racial justice implications, when looking at mass incarceration implications. And that's another area that Nebraska's really going to need to be thoughtful about and move forward on. And I think it definitely plays a part in the discussion about how we regulate things like gaming or liquor, as with this liquor control kind of annual cleanup bill that's before us in LB376. I'm happy to yield any remaining time to Senator Hunt if she so desires.

ARCH: Senator Hunt, 1:13.

HUNT: Thank you, Mr. President. And thank you, Senator Conrad. You know, Senator Blood is right about what she said that fewer and fewer people are identifying as--

ARCH: One minute.

HUNT: Thank you, Mr. President-- as religious today. And that's true. I think, I think you guys have a PR problem. You look at what's going on in the Catholic Church, not great. I was raised Catholic. We know about that. We look at what's going on in the evangelical church and the way you are attacking people who are different from you and reverting to this Christian nationalist type of agenda, that's not great. A lot of people don't want to be associated with that kind of thing. And I think that this changing environment also helps explain the militants that is one of the defining features of Christian nationalism in Christianity today. It's a minority movement and they identify as minorities, and they're keenly aware of their minority status. And perhaps as a consequence, they're less likely to worry about transgressing dominant social norms, like be kind to your neighbor, don't hate gay people, don't mess with--

ARCH: Time, Senator.

HUNT: --trans kids. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Hunt, you're welcome to close on your motion to recommit.

HUNT: Thank you, Mr. President. I was touching on what's kind of a psychological point about today's Christian nationalists, which-- I think most people who are Christian nationalists probably don't identify that way or don't realize that they are. But it's more of an identity with heritage, or race even, than religion. It's, it's less about Christianity than about being an American and being a patriot and the baggage that that label comes with in today's society. And

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they are keenly aware of their minority status, as fewer and fewer people are identifying in a traditional way with religion or going to services in a traditional way. And this feeds into also the persecution complex that we state-- that we see play out in legislatures around the country. As a self-identified minority, Christian nationalists are also a lot less likely to worry about transgressing dominant social norms. For example, in America, if someone is denouncing sodomy, they're positioning themselves as a dissident, not as a defender of American culture as it already exists with acceptance of LGBTQ people, but they're positioning themselves as an enemy of that culture. Christian nationalists, as sociologists and pundits use the term, refers to a broad array of conservatives who are concerned about the way the country is changing. Does that refer to you? But the people who embrace the term, who do identify openly and say they are Christian nationalists, it's a much smaller, self-selected group because in this climate today in this country, calling yourself a Christian nationalist is a much more radical act than being one. It's actually very normal to be one, and it doesn't put you in the minority at all. Nobody is trying to persecute you. They're just trying to be able to mind their own business and go about their own lives. And despite the progress made since Brandon Teena's death when he was 21, transgender people, particularly transgender youth, continue to be targeted by lawmakers and face violence and discrimination in their everyday lives. We got a phone call to the office at 1:23, just about 20 minutes ago, from a mother of a trans teenager in Lincoln who called in tears. She can't get her child to go to school. The kid was fired from working at a convenience store for being trans. It sounds like they made kind of a stink about it and they hired the kid back, but now the kid is afraid to go to work. He doesn't want to work there now. And the mom is just at a loss as to what to do to protect her kid. She's also one of the parents who waited for seven-plus hours to testify in Senator Ben Hansen's committee, which Senator Ben Hansen chose to reject. She's one of those people who left in tears that night after waiting over seven hours to share her experiences with you. And because of that, her experience was not made part of the record. She sent us an email a few days ago, and here's an excerpt from that: on the subject of dignity and respect-- again, talking about that hollow civility that I was referring to-- she says, I want to make sure everyone in the legislative body knows that Senator Armendariz told me I was unprofessional, aggressive and that I was trying to intimidate her when I was crying, upset, and passionate about my plight. I explained I was extremely scared of losing my home, and Senator Armendariz

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explained to me that I wouldn't have to move. She said my child could wait four years--

ARCH: One minute.

HUNT: --to get the care that he needs to survive and that he has already been receiving without any issues. She also told me that he shouldn't have to do that because she had to get a COVID vaccination against her will. So it's only fair, right, to keep lifesaving treatment from a child because you feel your rights were infringed upon? That is the message I and another parent received. She, meaning Senator Armendariz, also told us that she has three children and knows that teenagers can change their minds at the drop of a hat and, quote, go 180. So this is a parent in our community here in Lincoln who can't get her trans kid to go to school. Her kid got fired, and now she's experiencing this kind of harassment from a member of this body. Great work, guys. Good job. Make sure that you keep prioritizing workforce, that Nebraska Nice, the good life when actually Nebraska is not for everybody. Thank you, Mr. President.

ARCH: Thank you, Senator Hunt. Senators, the motion before the body is to-- is the recommit to committee motion. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor say aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 17 ayes, 4 nays to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Vargas, please check in. Senator Hardin, please return to the floor. The house is under call. All unexcused members are now present. Mr. Clerk, roll call. The question before the body is the recommit to committee. Mr. Clerk for roll call.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting no. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator

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Dungan voting no. Senator Erdman voting no. Senator Fredrickson voting no. Senator Geist voting no. Senator Halloran voting yes. Senator Hansen. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting no. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting no. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. Senator Hansen voting no. The vote is 1 aye, 47 nays, Mr. President, on the motion to recommit.

ARCH: The motion to recommit fails. Mr. Clerk, you have a motion on the desk. Excuse me. Senator Machaela Cavanaugh. Mr. Clerk, you have a motion on the desk.

CLERK: I do, Mr. President. Senator Lowe would move to invoke cloture pursuant to Rule 7, Section 10.

ARCH: Senator Lowe, for what purpose do you rise?

LOWE: For closure. And please vote no on AM1033 and yes on LB376.

ARCH: Members, the first vote is the motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. There's a request for roll call. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood not voting. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting yes. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Moser voting yes.

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Senator Murman voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes. The vote is 46 ayes, 1 nay, Mr. President, on the motion to invoke cloture.

ARCH: The motion to invoke cloture is adopted. Members, the next vote is on the adoption of AM1033 to LB376. A roll call vote has been requested. Mr. Clerk, call the roll.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Conrad voting no. Senator Day voting no. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting no. Senator Erdman voting no. Senator Fredrickson voting no. Senator Geist voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting no. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting no. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz voting no. Senator Wayne voting no. Senator Wishart voting no. The vote is 0 ayes, 47 nays, Mr. President, on-- President, on adoption of the amendment.

ARCH: The motion fails. Members, the next vote is on the adoption of E&R amendments, ER13. Roll call has been requested. Mr. Clerk, call the roll.

CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard not voting. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover

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voting yes. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting yes. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting yes. The vote is 47 ayes, 0 nays, Mr. President, on adoption of the E&R amendments.

ARCH: The E&R amendments are adopted. Members, we will now vote on the advance-- on the advancement of LB376 to E&R for engrossing. Roll call has been requested. Mr. Clerk, call the roll.

CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard not voting. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting yes. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting yes-- voting yes. 47 ayes, 0 nays, Mr. President, on advancement of the bill.

ARCH: LB376 is advanced. Mr. Clerk. Raise the call.

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CLERK: Mr. President, some items quickly. Motions to be printed: Senator Hunt to LB376 and Senator Machaela Cavanaugh to LB754. Next bill, Mr. President: LB754, introduced by Senator Linehan at the request of the Governor. It's a bill for an act relating to revenue and taxation; amends Section 77-2715.03 and 77-2734.02; reduces individual and corporate income tax rates as prescribed; and repeals the original section. The bill was read for the first time on January 18 of this year and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments. There are other amendments and motions, Mr. President.

ARCH: Senator Linehan, you are welcome to open on LB754.

LINEHAN: Good afternoon, Mr. President and colleagues. Today, it's my distinct privilege to represent-- to present LB754 as amended by the committee amendment, AM906, a Revenue Committee priority bill. LB754 is accumulation of many discussions and hours of hard work for the members of this body. Thank you. Members of, members of this body and members of the Revenue Committee. Just-- I feel like before I go on about the Revenue Committee, I think we had 103 bills that we heard this year. I would like to take a moment to thank each member of the Revenue Committee for their efforts in getting this bill to the floor. Those members include our freshman senators: Senator von Gillern, Senator Kauth; Senator Murman, who's not a freshman; Senator Bostar, who's been on the committee since he was elected; Senate Briese, senior member; Senator Albrecht, senior member; and again, another freshman, Senator Dungan. I've always been very proud of the Revenue Committee because we represent-- we're from across the state. There's rural senators. There's urban senators. And there's-- every part of the state gets represented on the Revenue Committee. LB754 is the primary income tax bill coming out of the Revenue Committee this session. As amended in AM906, LB754 includes many of the bills which were brought on behalf of the Governor and many of the bills which the Revenue Committee felt warranted priority and inclusion. Before dividing into discussion of the substance of AM906, I would like to remind the body that AM906 was contemplated by the committee as one package, which is a part of and changes not only other bills from the Revenue Committee, but also with contemplation of bills we will see coming forward from many other committees. So, in plain English, this is part of the Governor's package. The Governor's package included income tax cuts, property tax cuts, school funding and others-- bills which you have-- all familiar with. Second, I would like to encourage any senators who are wishing to have more detailed discussion regarding certain aspects of AM906 to try and direct the questions to the original introducing senators, as they are subject matter experts

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with respect to portions of the bill they introduced. For example, part of the bill is the Senator Blood bill, which, I will admit here, I tried to write a bill. It didn't turn out well. Senator Blood's office, and Senator Blood did a much better job than I did. So it is to remove taxes on some retirement income which should not be taxed. So that's Senator Blood's part. I would also like to take a moment to brief any concerns between the disparity of the income tax cuts and the property tax cuts. So for the new senators, going back to LB1107, which was in 2020, we were fighting about property taxes versus incentive package versus the NExT project, and we kept coming to the floor and nobody could get to 33 until we all put it in one package. And then last year, 2022, we had the same thing: property taxes versus income taxes. Senator Briese and I worked hard, worked with former Governor Ricketts. When we bring tax packages to the floor from the Revenue Committee, what we have learned is it's gotta be equal. It's gotta have as much property tax relief as it does income tax relief, or you can't get to 33. So this is income tax today. On the agenda is property tax. Hopefully we'll get to that by Friday. Now I'll go into detail about the white copy AM906 amendment. LB318, as amended by AM355 and AM292, was originally introduced by Senator Bostar, and it's a bill that establishes the Child Care Tax Credit Act and reauthorizes the School Readiness Tax Credit Act. Affordable and accessible childcare options are essential to Nebraska's families and our economy. LB318 was designed to ensure parents stay in the driver's seat when it comes to their kids while supporting a critical private industry that faces inherent constraints in their business model. So it does so in three ways. First, the bill offers a tiered, refundable tax credit for parents with children in childcare that are under six years old. Second, the bill incentivizes private industry by offering a tiered, nonrefundable tax credit to individuals making qualified contributions. This tax credit goes to the companies or other taxpaying entities that make a financial contribution to increase the availability of quality childcare options in our state. Finally, the bill reauthorizes School Readiness Tax Credit Program, a refundable and nonrefundable tax credit to support our childcare employees and providers. And I think Senator Bostar is loaded with papers and many explanations of how this all works. This legislation addresses-- addresses the industry's three biggest concerns: accessibility, affordability and sustainability. LB318 encourages our private entities to invest in childcare industry, increase capacity in areas that need it most. It also provides financial support to childcare employees and providers, incentivizing them to remain in this crucial field. And finally, it helps working parents afford the cost of care, thus sustaining an industry that relies heavily on

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parent fees just to break even. LB754, as amended by AM162, is a very straightforward bill that works to incrementally lower both tier three tax rate and the top tier tax rate to 3.99 percent for individuals. It also cuts the business tax rate to 3.99 percent. So last year, we got to parity. There used to be a business tax, which was over 7 percent and the top individual, which was at 6.84 percent, and we brought them down last year to parity so you don't have an LLC paying a different tax rate than an incorporated company. Tax climate is critical to all of our constituents. All Nebraskans, whether located in Omaha or Scottsbluff, Nebraska, consider taxes when electing where to call home. It is a factor that is considered whether deciding to move to Nebraska or to move away from Nebraska. Further, it plays a critical role in developing our economy, creating jobs and expanding our workforce. Bringing down our top rate is critical to the future of Nebraska. And I know that there's people who don't believe, aren't convinced that people look at tax codes when they-- tax codes when they decide where to live. I just don't think that's a reality anymore when you can sit down at your computer at night and look at every state and figure out what it's going to cost you to live in that state. People do look at this. Nebraska is currently ranked 29th for personal income tax rates and 32nd for corporate income tax rates; 29th for personal, 32nd for quarter [SIC-- corporate]. However, if LB754 provides us an opportunity to fix these rankings, if enacted, LB754 would incrementally decrease both individual and corporate tax rates and would put us much closer to the top, maybe as close as top 15 states, for lowest personal and business income tax rates after full implementation of the bill. LB38, as amended by AM355 and AM292, provides a deduction for income earned by federal retirees-- so this is Senator Blood's bill- federal retirees for federal retirement pensions. So people in my age group, approximately, in the '80s, the federal government changed retirement. If you were employed by the federal government before 1982 or '83, you were on the federal system. You did not pay into Social Security. When they changed that system, the employee had an option to either stay on the old system, which many did, or go to a new system, which was a combination of federal-- FERS, federal retirement, Social Security and a savings account that you--

ARCH: One minute.

LINEHAN: --put money in. That program-- we've got several Nebraskans who don't get Social Security, don't get military retirement, and we are fully taxing their federal retirement. And it is not fair. Ever since we passed Social Security last year, I've gotten calls on that. So I'm going to run out of time here because it is a big bill. Last

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year, we passed LB873 to help with vital tax relief on Social Security. This year, Senator Kauth introduced a bill. Last year, when we passed it, we thought we were going to take two years to pay for it. We will actually be able to pay for all the tax cuts we passed this year-- last year-- excuse me-- this year. And I will-- as we move through this afternoon, I've got the fiscal note from the bill we did last year, which will lay out what we did last year. And that bill-- which was LB873-- in this bill, we're going to pay for everything we did last year this year. Real quick, please--

ARCH: Time, Senator.

LINEHAN: Thank you.

ARCH: Senators Bostelman and Clements would like to welcome 96 students in from the fourth grade: Ashland-Greenwood Elementary School in Ashland, Nebraska, located in the north balcony. Students, if you would rise and be welcomed by your Legislature. Senator John Cavanaugh, for what purpose do you rise?

J. CAVANAUGH: A point of order. I move that we divide the question.

ARCH: Senator John Cavanaugh, Senator Linehan, would you please come forward? It is the ruling of the Chair that it is divisible. Mr. Clerk, please explain the division.

CLERK: Mr. President, there's been a single division. Committee amendments shall be divided into LB754 as one division. The second division will be the remainder of the bills within the committee amendment, including LB38, LB173, LB318, LB492, LB497 and LB641. Senator Linehan, my understanding is you wish to open on the first division, LB754.

ARCH: Senator Linehan, you are welcome to open on the first LB754 amendment.

LINEHAN: So the first amendment is the AM906. So I'm a little-- I'll be honest, for all of you that think I always know what I'm doing, I'm not sure the division, how that affects the amendment. But what I believe we're doing now is just the income tax part. So what we did in the committee is we took everything that we did last year on income taxes, including Social Security, and we're paying for it this year. So there's going to be a lot of paper coming around to answer questions. But in the Governor's budget that he handed out at the end of January, it shows that we have the funding this year to pay for everything we did last year. So that's the first step in this income

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tax bill. Includes bringing the top rates down to-- actually, I think, the farther we got last year was bringing the top rate down to 5.84 percent from 6.84 percent for individuals, and down to the same rate for businesses. Then we also-- we're going to take two years to do away with taxes on Social Security. And now, next year, people will not have to pay taxes on Social Security regardless-- we went away from the 10 percent, 20 percent. So that's the major part of this bill. Then the rest of it is taking our top tax rate down from what we-- currently, we're going to go to 5.84 percent to 3.99 percent across the board. So we can divide the question here, but I'm going to still talk about this as a package because, as I said in the beginning, the Revenue Committee worked very hard on this. Senator DeBoer brought bills, lots of people brought bills to adjust the rates differently. It was the committee's opinion, with the amount of money we had, to do as much as we could on the top rate so we're competitive. Right now, we are not competitive. Iowa is going to 3.99 percent. Colorado, I think, is at 2.5 percent. I'll get the numbers-- staff, I hope you're paying attention-- I'll get the numbers for the rest of the states around us. We're not competitive. So the goal here is to get our top rate to be competitive. Working with Senator Bostar, he brought an idea that the committee agreed to. I think we voted it out on amendment 8-0, that, along with taking the rates down at the top, we would try and do more for young couples with children. So there is, I feel-- we can talk about this-- pretty generous tax credit. Well, generous is all relative, right? But between-- up to \$75,000, it's \$2,000 per child refundable tax credit. So it's refundable. Up to \$150,000, it's \$1,000 per child under six. Other parts of the package is-- Senator von Gillern, are you on the floor? No? OK. Senator Bostar, would you take a question? Oh, he is-- oh, he is there.

ARCH: Senator Bostar, would you yield to a question?

LINEHAN: Wait a minute. I'm sorry. Senator von Gillern is here. I didn't see him.

ARCH: Senator von Gillern, will you yield to a question?

von GILLERN: Yes, I will.

LINEHAN: Senator von Gillern, do you want to talk about your two parts of the Revenue bill? That's in the part that we're not-- it's not on the board right now.

von GILLERN: Sure. I would love to do that. Thank you. Thank you for the time. The-- one of the bills that I brought was LB492, which amends the income tax deductions and accelerated expensing of costs of certain property for R&D expenses, and it's really an accounting matter that allows corporations to write off their equipment expenses in the year in which they've acquired them, or experimental research and development expenses. And this applies to some of the biggest blue-collar companies in the state of Nebraska, who employ many, many people and are broad-based industries, everything from building manufacturing to ag design, ag and organic design firms and firms like that. And then the other, the other two that I brought were LB804 and LB806, which then got pulled up into the, the, the, the parent bill, and those were the accelerations of the income tax, accelerated-- or, the income tax rates that were passed by the body last year, and lowers those rates at an-- in an accelerated fashion. So those are, those are the parts that I had a, a role in, so, pleased to do that. The, the accelerated income tax benefit was really made possible because of the fiscal responsibility of the previous administration and the fact that previous Legislatures monitored the budget and were able to build up the surplus to the point that it is today. I think it's important that we do as much as we can to get those dollars back into the folks that paid them into the bud-- into the surplus and return those dollars to those folks, so. With that, I yield back to Senator Linehan. Thank you.

LINEHAN: Thank you, Senator von Gillern. Senator Blood, would you yield to a question?

BLOOD: Absolutely.

ARCH: Senator Blood, will you yield?

BLOOD: Absolutely.

LINEHAN: So if I did not give your part of the bill fair justice, because, obviously, you are better at this than me, could you explain how your bill's going to work?

BLOOD: First of all, thank you for that compliment. It is appreciated. So I'm just going to walk everybody through. There is a handout on your desks. So, basically, this bill brings essential tax relief for federal retirees that live in Nebraska. The number of federal retirees residing in Nebraska is approximately 13,980 people, and the total reso-- retired and active federal employees in Nebraska amounts to 28,193 people. Our top five employers include the United States Postal

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Service and the Department of Defense, not to mention the close to 1,400 federal employees involved in Nebraska ag. Federal employees constitute a huge backbone for services for Nebraska taxpayers, and we want them to stay in our state and continue to contribute to our tax base. So as you heard, currently, the federal retiree system works as follows. Federal retirees who began working for a federal agency before 1984 are covered by the CSRS, Civil Service Retirement System. This retirement system requires them to pay 7 percent into the system, but are not covered by Social Security as the system was created. Those employees that started after 1984 are covered under the Federal Employees Retirement System, FERS. Employees made-- employees under the FERS system are eligible for Social Security. This includes a combination of federal annuities, Social Security and a 401(k) type of plan. While Social Security taxes have been alleviated through LB873, and soon LB641, 100 percent of federal annuities still are subject to Nebraska income tax. In order for us to be fair to Nebraskans, we have to remember that not everybody has the benefit of utilizing the break we give people on Social Security. And because of that, we wanted to make sure that we were fair in Nebraska. And I was very thrilled to be able to bring this bill forward and thank the Revenue Committee for pushing it through.

LINEHAN: Thank you, Senator Blood. Senator Bostar, would you yield to a question?

ARCH: Senator Bostar, will you yield?

BOSTAR: I would.

LINEHAN: So Senator Bostar, I see here on my desk-- it came from you-- First Five. This-- you-- turn around, please. This. Did you hand this out?

BOSTAR: I did.

LINEHAN: Would you like-- could you explain this to me?

BOSTAR: I'm not entirely sure which exact one you're holding up. There's a couple.

LINEHAN: I'm-- Child Care Tax Credit Act.

BOSTAR: Yes, absolutely. So, this document is a-- I was going to call it a one-pager, but that would just be dishonest. It's a four-pager that outlines the provisions that are contained within the committee amendment to LB74-- LB754, and outline three basic components. So the

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first is a childcare tax credit, as was mentioned before by Senator Linehan, is either a \$1,000 or \$2,000 per child, per year tax credit, depending on household income. And so a household that makes \$0 to \$75,000 per year, that's a \$2,000 credit. \$75,000 to \$150,000, that would be a \$1,000 credit. And that credit can be applied for childcare expenses. There's an exception, though. For a family that is at 100 percent of the federal poverty level or below, that credit can be redeemed without accompanying expenses. So, at 100 percent FPL or below, it is a child tax credit, not a childcare tax credit. So, having children, you would be able to claim a \$2,000 per child tax credit, refundable tax credit per child, without associated expenses if you were at the federal poverty level or below. The second provision is a nonrefundable tax credit for contributions.

ARCH: That's time, Senator. Mr. Clerk for an amendment.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with AM1068.

ARCH: Senator John Cavanaugh, to open on your amendment.

J. CAVANAUGH: Thank you, Mr. President. Well, I just want to start out by saying I, I do appreciate the work that the Revenue Committee has done. They've had a lot of propositions presented to them this year, several of them brought by myself. And, you know, I, I brought a couple of them that kind of pertain to this space of broader tax policy. I had a couple that I think were maybe just other types of policies. But what I'm doing here is not one that I presented, but it's really nibbling around the edges of what-- the conversation we're having. So you've just heard some presentation about the general package, what's in the overall-- well, so-- maybe we'll talk for those who are kind of new here. We have divided the question before on this, this session. But what we're doing here, what I, I did, was I said I would like to have a conversation on one particular portion of this bill because the-- the part we're talking about right now, AM1063, is the part that I have the biggest problem with. The rest of the bill, the parts you heard about from Senator von Gillern and Senator Blood and Senator Bostar, and I think there's some other parts of it as well, that I have less of a problem with, and I wanted to have this conversation about the specifics of the lowering the personal and corporate income tax brackets as a standalone conversation and not part of the overall package. So right now, we're debating this portion, which is the lowering the personal income tax top bracket down to 3.99 percent and the corporate bracket as well to 3.99 percent. So if you were to look at LB-- or, I'm sorry-- AM906 to

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LB754, the relevant portions are on page, pages 8 and 43, and that is the part we're talking about. It's been broken out into one standalone, AM1063. And then, after we finish talking about this, we'll move on to the conversation about the rest of this. And so why am I talking right now? I have AM1068, which is an amendment to change that tax bracket shift. So in the bill, Senator Linehan, as she stated, increases the rate at which we decrease taxes. So we-- last year, we cut the top corporate-- top personal tax rate to 5.84 percent and then phased it in. So as she said, revenue projections are such that we can-- we don't need to do a phase-in anymore; we just do it right away. So that is still in place. So right now, if you look at my amendment, AM1068, it would still allow the tax-- top marginal rate to go down to 5.84 percent in January 2025. It would still allow it to go down to 5.2 percent in January 2026. It would still go down to 4.5-- or, I'm sorry-- it would not go down to 4.55 percent on January 2026. So that's the part I changed. So it's lines 25 through 30 on page 8, striking that section and replacing it with language that's-- has it go down to 4.99 percent for that top bracket. But I do still have the secondary bracket go down to 3.99 percent. So, right now, that bracket is, I believe, at 5.01 percent, and so this would be a decrease to that 3.99 percent for the second bracket. So essentially, on that part, what this amendment does is for, we'll say, income tax earners of, we'll say, single individuals earning between \$17,000 and \$26,999, their tax, their marg-- top marginal tax rate would go down from 5.01 percent to 3.99 percent, which is what happens in the, the package overall. But for individuals in the-- above \$27,000-- \$27,000 and, and above, rather than their taxes going down, their top marginal rate going down from 6.84 percent to 3.99 percent, it would go down to 4.99 percent. So-- and that would carry out. I can go through all the iterations for you, if you like, and we can have time to talk about it. But what this does is it still does the accelerated implementation that Senator Linehan has proposed in the underlying bill. It still lowers the second tax bracket, so those individuals in that-- what did I say?-- \$16-- \$17,000 to \$26,000-- \$17,500 to \$26,999, they still get that-- basically, a little over 1 percent decrease. And those in the top bracket still get a decrease from where they were going under the bill we implemented last year. But it's just a bit smaller of a decrease. So the top marginal rate for income goes to 4.99 percent in the state of Nebraska. And then, as to the corporate rate, you have to go to page 43 and striking out paragraphs 5 through 13. And the corporate rate goes-- rather than continuing down from 5.2 percent, it will stop at 4.99 percent. So the corporate rate for the first, I think it's, \$100,000-- actually, let me grab my amendment here. Ooh. Let's see. OK. That's not it. Well-- all right. Well, either way, I'll

find it before my next time on the microphone. I know you all are scintillated by the conversation. But-- so here's the reason. We have-- in my three years here, my first year, we had a debate about whether to decrease taxes for corporations, out-of-state corporations, for Social Security, for personal income tax, and we came to an agreement. We implemented half of the Social Security tax deduction. We implemented a smaller step down in the corporate and, and personal tax. And part of that conversation was we weren't sure we could afford it at the time, so we did a smaller implementation. And one of the arguments in that conversation was, it's so hard to lower taxes. We need to do it when we can. And of course, we came back the next year and we had a much bigger implementation. We did the remainder of the Social Security tax with a slower implementation. And again, the argument was, we need to lower taxes when we can because it's so hard to lower taxes. And of course, these were both the results of compromises. The first year was a compromise between myself, Senator Linehan and Senator Stinner about what basically was affordable and where we all decided we could live with it, and then we came back the next year and kept going. And so now we're here, a third year with a third implementation-- and, again, I think we're having the-- we have the argument, well, when we have the opportunity, we need to do it. And I don't disagree with that. I proposed tax cuts myself. I proposed rebates in the Revenue Committee. I think when we have excess money, we should give it back to the taxpayers, but it's a question of how you do it. And so when you have a graduated income tax, we-- you have the opportunity to cut a middle bracket that would give tax relief to the people in the middle and then everybody above it. If you give a tax cut to the top bracket, you're only giving a cut to those top folks and not the people below it. So what I had proposed last year-- Senator DeBoer proposed, I think, while we were having the debate as well-- in that broader package, that we lower that middle bracket down some while we lower the top bracket. And what I'd argued while we had that conversation was, while we were giving, I think it was \$700 million in tax relief, something like \$70 million of it went to the top 8,000 earners. And so it's my position that, if you're going to give large tax cuts, we need to make sure that we're giving tax cuts to-- in an equitable fashion, to middle-class, working-class people, and we had a whole semantical argument about what's middle class and what's working class. But what I can tell you is, if you continue to just lower the top bracket, lower and lower and lower--

ARCH: One minute.

J. CAVANAUGH: --thank you, Mr. President-- you're giving tax cuts only to the top marginal earners. I'm suggesting that we give not only tax

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cuts to the top marginal earners, but we give a tax cut to those middle earners as well, as the tax brackets are defined. And it will be more cost-effective, less impactful on the state's budget going forward. And, as I just told you, we have cut taxes in the last three years if we pass this bill. So the argument that it's too hard to cut taxes is not one that I think is, is-- has a great resonance. If this money continues-- if the revenue continues projections the way that people think it's going to, we can come back and we can cut taxes again next year or the year after. So this is a very simple proposition. I hope you all consider to vote for AM1068. It does most everything that's in the package, but it does do a bit of a smaller implementation for the highest earners, still getting the, the highest marginal tax rate in the state of Nebraska down below point-- or below 5 percent.

ARCH: Time, Senator.

J. CAVANAUGH: Thank you, Mr. President.

ARCH: Senator Hardin, you are recognized to speak.

HARDIN: Thank you, Mr. Speaker. I rise in support of LB754. Senator Bostar, would you yield to a question?

ARCH: Senator Bostar, will you yield?

BOSTAR: Yes, I would.

HARDIN: You handed out a plethora of documents. Wondering if you would make a brief comment on the other two.

BOSTAR: Yeah, thank you. I appreciate the question, Senator Hardin. So the first document, as I was going over before, is a breakdown of the legislative provisions for the tax credits in question. There's also a briefing document on opportunity zones in Nebraska. That's relevant for the second component of the childcare tax credits that are in that, that larger briefing. And then the third document is a spreadsheet that identifies the opportunity zones in the state of Nebraska. And so you can look and see if your district has any opportunity zones in it. Many members of the Legislature do, and so I would encourage individuals to look at those. I'd also be happy to answer any questions. With that, I won't take any more of your time. I appreciate the question. Thank you.

HARDIN: Thank you. Mr. Speaker, I would like to yield the remainder of my time to Senator Linehan.

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ARCH: Senator Linehan, 4:03.

LINEHAN: Thank you, Mr. President. Would Senator John Cavanaugh yield for a question?

ARCH: Senator John Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

LINEHAN: So did I understand-- I haven't read your amendment. I've got it laying here. Staff brought it to me. You're saying anybody above \$27,000 should be at 4.99 percent?

J. CAVANAUGH: For individual income earners--

LINEHAN: So you--

J. CAVANAUGH: --individual [INAUDIBLE].

LINEHAN: --think that's wealthy?

J. CAVANAUGH: Well, this is the same semantical argument we got into last year.

LINEHAN: Right, and we're going to have it again this year.

J. CAVANAUGH: OK. I don't think somebody in that bracket is wealthy, but my proposition is that we make a, a lower tax for the second tier. I have suggested raising that income threshold as well in the past.

LINEHAN: Yes, I know. Thank you, Senator Cavanaugh. We, we have been on this for-- actually, going back before Senator Cavanaugh was-- John Cavanaugh was here. I think Senator Machaela Cavanaugh was here. It started with LB1107, which was a marrying of the incentive package with property tax cuts and the NExT Project. And we argued about if we had-- we could afford any of it. Some of us thought we could afford it, but we whittled it down. Actually, that's a whole nother story. We should talk offline about how that-- it was the result, though, of where we got. Then the next year, we argued about whether we had enough money to cut taxes, and we did. We had plenty of money to cut taxes, but we got-- we had to, we had to satisfy-- we-- satisfy, which is what we do here. We compromised to bring it down slowly. This year, we have plenty of money to do what we could have done last year. As a matter of fact, we have so much money-- so I have handed out-- hopefully, you've all got it-- from the-- because I think we need to start here. Maybe I should have started here when I introduced the

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bill. I've handed out two pages from the Governor's proposed budget. So the first one, if you will bear with me, if you go down to line 16-- it's the one with more lines on it. It's page 7. If you go down to line 16, it says, legislation for individual tax rate reduction. And you can see that in 2023-24, it will be \$72 million. The next year, it's \$220-- almost \$230 million [INAUDIBLE] cost. Now, one of the reasons those numbers are lower than you might think they would be, because we've already paid for the deductions we made last year. They're already baked in the budget. Then you go below that, it's the business income tax rate reduction. Pays for that. You go down, it pays for the Social Security tax exemption. Pays for that. The rest of it is-- but we'll be on this Friday, so hard to talk separately. The next one is Community College Property Tax Refund. Pays for that. Legislation, Opportunity Scholarship, my priority bill, also part of the bigger package. Pays for that.

ARCH: One minute.

LINEHAN: Pays for all of it. And then, if you go to the next page I handed out, it shows what we're going to do with the Cash Reverse-- Reserve's Fund status. Right now, paying for all these tax cuts, we still have \$1.6 billion in the Cash Reserve, plus the minimum rainy day fund, which means we have \$2 billion. So I think we should give the money back to the people that actually paid the taxes. Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. OK. So going back to what we're actually on, which is AM1068, which is my amendment that would make a smaller, but still substantial, tax cut of about 1 percent for the people in the second highest bracket and about 1.85 percent-- I'm sorry, point-- it's about 0.85 percent for the people in the top income tax bracket. And so I didn't quite get it clear. So the other part is on the corporate tax, and it says, for taxable years beginning on or after January 1, 2026, the rate equal to 3.99 percent for the first \$100,000 of taxable income and a rate of 4.99 percent on all income in excess of \$100,000. So that's still lowering the corporate tax rate for both the first \$100,000 and for everything above that. And to Senator Linehan's point, we have had this conversation many times, and it feels like it often involves the two of us having this conversation. And it, and it takes a lot of different forms. You know, I, I have made lots of different suggestions. Senator Linehan has brought forward a lot of suggestions. And one of the suggestions that I have made in the past was to do things like raise the-- each of the

brackets rather than, you know, say, \$17,500 to \$26,999 for that second bracket, raising that something like \$50,000 or \$100,000. Right? And so we're just moving everything else up. And something along the lines where the top bracket, you have to be somebody earning over \$125,000 or \$150,000. You know, we've made lots of different suggestions in that range. But the point is we have made those offers before, which would create a substantial tax decrease for individuals by moving-- basically moving them into a lower tax bracket, and we were rebuffed on those suggestions because they were too expensive, is what we were told. And so now we're here in a point where we are basically putting together two-- the two top tax brackets rather than moving them up or saying that these individuals-- you know, creating a 3.99 percent tax bracket is apparently OK for individuals making \$17,000 to \$26,000 as long as the people above that also get that tax cut. So the, the problem you have when you look at this is, you can say, is somebody making \$27,000 wealthy? No. I don't think anybody would think that. But this-- the people who get this tax cut are not just people making \$27,000. It's the people making \$500,000 a year would also get this tax cut, and that is where the bulk of the cost comes from. When you decrease the taxes on a \$27,000 person, they get something in less than \$100 tax cut. But the person in the million-dollar, \$500,000 range, they're getting tens of thousands of dollars in tax cuts. And so-- and I'm not here standing here, telling you, let's not lower those folks' taxes. I'm saying let's lower them just a smaller amount. Let's re-- keep the cr-- the top two brackets graduated. Let's keep that-- let's lower that middle bracket for those individuals earning \$16,000 to \$26,000 and lower them down from 5.01 percent to 3.99 percent. And let's lower that top bracket from 5.84 percent to 4.99 percent. So that's my suggestion here. I would gladly have a conversation where we're also raising the income thresholds for each of those brackets because that would actually be tax relief for working and middle-income people. And it would not-- it would still give a benefit to the wealthiest because of the way a graduated tax works. Any tax cut, even to the very smallest tax bracket, is still going to be a tax cut for the wealthiest. But if you start at the bottom and work your way up, you are going to be able to give more relief and more equitable relief across those tax brackets. But my point is not all-- all of those things. The point is--

ARCH: One minute.

J. CAVANAUGH: --thank you, Mr. President-- that we don't know what the future holds. And we have demonstrated our willingness to continue to come back and keep ratcheting the taxes down if the projections and the incomes remain as positive as they are. So let's just slow down

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this implementation. Again, we have obviously demonstrated we are accelerating the implementation from last year. Let's slow down the implementation on that top bracket this year, let's be more fiscally responsible and let's make sure that those projections are going to be as good in the future before we lower that another percent. The, the individuals in this bracket are going to get a tax cut under this proposal as well. They're going to get almost a percent, 8.5 percent-- or, 0.85 percent tax reduction. So that's the conversation I'd like to have right now, is about what is the appropriate amount for reduction in these two brackets, and that's why I brought this proposal. And I appreciate everybody's time. And I'll push my light and continue the conversation. Thank you, Mr. President.

ARCH: Senator Albrecht, you're recognized to speak.

ALBRECHT: Thank you, Mr. President. I rise in support of LB754. We'll see how the next eight hours shake out. But the economic outlook in Nebraska is very strong. Our taxpayers deserve to have more of their hard-earned dollars back. LB754 makes significant strides toward making Nebraska more competitive. LB754 will make Nebraska more attractive to college grads, families and businesses. The last biennium and this year, we have worked diligently on the tax code, moving it in the right direction. For those reasons and many others, I'd like to talk-- to thank Governor Pillen for making it a priority of his. Chair Linehan and the Revenue Committee, we listened to 102 bills and, you know, by the time you shake everything out and try to figure out where everything goes in a very short period of time, I think this is an excellent package to bring forward. It'll make a difference in many lives. I'd like to yield the rest of my time to Lou-- Senator Linehan.

ARCH: Senator Linehan, 3:50.

LINEHAN: Thank you, Mr. President. And thank you, Senator Albrecht. So to respond to Senator John Cavanaugh's conversation about the brackets: before any of us got here, there was an attempt, and successful attempt, that they index the brackets to inflation. I don't have the exact details. Staff is working on that right now. But the brackets go up every year automatically. That was a bill passed before I got here. I'm not sure. I think it was a Senator Lindstrom bill, but I'm not positive on that. So the brackets automatically go up. That's already taken care of. The other thing I would tell you, I've got staff bringing the slide deck that I showed you this morning. Somebody told me-- and it was very good advice-- sometimes I'm willing to take advice-- that I'm going too fast and it's complicated and I need to

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slow down. So I'm going to bring up-- we've got all-- we have-- we can answer all your questions, but I'm going to try and bring up the slide deck with each of the bills, so-- and then we can give you the syllabus before we give you the novels, I guess, would be the best way to put it. So two bills that are all in the package that we haven't talked about yet-- and I just want to mention them. We-- I would like-- so the year before I was on the Revenue Committee was the Trump tax cuts, and that is when the federal government did away with any-- the SALT taxes; anything above \$10,000, you can't deduct. We are tied to that. We could have untied ourselves, but we did not. So I would like to untie it. I think it is incredibly unfair that you pay \$15,000 in property taxes and state income taxes and you can't deduct it from your state taxes. I think paying taxes on your taxes is ridiculous. So that is another part of the bill. And then finally, this was another Senator Bostar and Senator Kauth. Senator Kauth, you're here. I'll ask you a question if you'd be willing. Senator Kauth, would you yield to a question?

ARCH: Senator Kauth, will you yield?

KAUTH: I will.

LINEHAN: So Senator Kauth, you and Senator Bostar worked on part of the bill that is to change provisions relating to the taxation of nonresident income. Would you like to speak to what that's about?

KAUTH: You bet. So my part of the bill was LB416, and that is a convenience tax. And what happens is we have employees who work for Nebraska companies who may move out of state or they may be working remote for some other reason. They still have to pay state of Nebraska income tax. And so the chamber came to us and asked that we make it a law that, if they are here less than 30 days-- and we dropped it down to 15 days-- then they do not have to pay state income tax. That would allow them to come in for trainings, that would allow them--

ARCH: One minute.

KAUTH: --to come in for meetings, and then they would not be charged.

LINEHAN: Thank you--

KAUTH: I yield back.

LINEHAN: --Senator Kauth. So that-- right now, the law-- but, clearly, not everybody is following law because right now the law is, if you spend a day working in Nebraska, you owe Nebraska taxes, which will

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keep people from bringing in groups for sales meetings, for a board meeting. They'll go someplace else than Nebraska, and we would like them to come to Nebraska. So now I think we've hit on everything in the package. But again, I'll be sending out a slide deck that hopefully will help people understand the bigger bill. Thank you very much, Mr. President.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And good afternoon, colleagues. Really, first of all, I want to thank Senator Linehan for her leadership in the body and on the Revenue Committee. And I know she's worked very hard and consistently to try and put forward packages that bring tax relief to Nebraska, and this year, of course, is, is no different. I wanted to add just a couple of additional kind of top-line messages before we continue to work through the details and the nuance contained in this massive proposal. So first of all, some members have inquired as to, is this part of sustaining a filibuster? Is this part of prolonged debate? No. No. This is honest, good-faith debate about our revenue infrastructure in the state of Nebraska, about our tax policy in the state of Nebraska. If you will notice, Senator Hunt has removed her amendment, which also is substantive in nature and I think we'll have more discussion on at a later point in regards to this measure; and Senator Machaela Cavanaugh has not pushed forward with her ability to file priority motions in terms of addressing the queue or impacting the narrative. So, to be clear, this is a carefully coordinated, good-faith effort across the political spectrum to ensure that we do the people's business with substantive, deliberative debate whenever possible, as is possible this afternoon. And it's great to see so many people in the queue who want to share their ideas and perspectives about this massive proposal that the Revenue Committee and Senator Linehan have put forward to us today. So in addition to that kind of general understanding, thanking her for their leader-- her leadership and providing clarity to the body that this is a good-faith effort to raise important issues, seek compromise and consensus, that, that's where we are from a procedural pro-- posture. At this point in time, I am inclined to support Senator Cavanaugh's amendment that he has put forward. And while I like many aspects of the Revenue proposal contained in LB754, I do have concerns with some of the program design for some of those component parts. And overall, I'm generally concerned about the price tag that comes with these massive tax cuts and their sustainability in terms of what everybody agrees is a significant amount of economic uncertainty. Yes, to Senator Linehan's point, today, our bottom line, our fiscal health, in terms of our fiscal picture, is healthy, and we have \$2 billion.

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But we need to also unpack that about what's ongoing and what's one-time. Because if we can't anticipate that those are ongoing levels of resource, we shouldn't commit ourselves to an ongoing course of revenue reductions. We have to balance the one-time, as reflected in our state budgetary picture, with the ongoing nature of these tax cuts. So from a general perspective, I, I do have a bit of heartburn when it comes to the overall price tag. And tax cuts do have price tags, colleagues. We, we have to admit that when we're having honest, serious debate moving forward and what that means in a time of economic uncertainty and for the sustainability of core government functions and programs like healthcare and education and infrastructure and economic development. So that's a piece of it that I'm concerned about and look forward to working with Senator Linehan and other senators--

ARCH: One minute.

CONRAD: --to figure out what we can make work in our budgetary picture. Thank you, Mr. President. The other piece that I'm concerned about, from a global perspective, is how inequitable this tax package is. And when you look at some of the project-- project-- projections for how LB754 could impact various taxpayers in Nebraska, you see this is a massive tax break for the wealthiest and for out-of-state corporations and does very, very little, if any, for the middle-class and low-income working Nebraskans. So I appreciate a step forward in the right direction with the Child Tax Credit and some related childcare pieces. I appreciate the work in regards to the Social Security income tax piece, but I think we need a lot more discussion about the individual income tax rates and the corporate tax rate, and I think we can and should do better in crafting a package that is--

ARCH: Time, Senator.

CONRAD: --more equitable. Thank you, Mr. President.

ARCH: Senator Briese, you are recognized.

BRIESE: Thank you, Mr. President. And good morning-- or, afternoon, colleagues. I rise in conditional support of LB754 as amended by AM906 and now as amended by AM1063, AM1064. I oppose AM1068. And why do I say my support is conditional? It's conditional because we have a-- what I would consider a package deal here, and we need to respect that package. The package is the amended LB754, Senator Sanders' LB583, which educate-- which is the education funding component, my amended LB243 which is the property tax component. It's a package of income

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tax relief, property tax relief, education funding reform, and I dare say that one does not pass without the others. They are tied together at the hip and they are tied together at the hip in essentially their current forms. And so I can't support the substantial change offered by Senator Cavanaugh in AM1068. And I know, at the end of the day, that I can't support LB754 without the education and property tax components of the package as well. You know, I think one of the main lessons from the last few years is that, when we put something like this together, there has to be something in it for everyone. Think back to 2020 and LB1107, where we married the business incentives to property tax relief. Think back to LB873 from last year where we tied together property and income taxes. So, so, yes, I am in conditional support of LB754, conditional on passage, movement of the education funding bill, conditional upon movement and ultimately passage of the property tax reform bill. But my-- so my support of any of the above evaporates if we can't get the property tax component passed. And so we can try to divide the question here and play those games. And I, I-- you know, I, I appreciate the position of the folks that maybe actually do like to-- would like to change this a little bit, but we have to remember there's a whole lot at stake here with this package. You know, if you want to push special education reimbursement up to 80 percent, you need to respect the package. If you want to get more state dollars into your urban school districts-- and, yeah, mine too out in rural Nebraska-- but if you want to get more state dollars into your urban school districts, you need to respect the package. And if you want to get more dollars back into the hands of your property taxpayers, you need to support the package. If you are concerned about the availability and cost of childcare in Nebraska, you need to support the package. So I'd suggest, if you want to see any of those things I've just mentioned, you really need to support all of it. And the things I just mentioned I think are extremely important to everyday Nebraskans, extremely important to the economic future and well-being of Nebraskans and our state. And I keep hearing concerns about sustainability of what we're doing for here-- doing here, but I'm confident in the long-term sustainability of this package. We have a resilient, ag-based economy that is well-positioned to weather economic cycles. The tax relief in this package will create even more growth and economic activity. But if you disagree, look at the numbers. Senator Linehan hit on those-- or, talked about those numbers earlier. The Governor's numbers and the budget numbers suggest, even with this package, our Cash Reserve will remain in excess of \$1.4 billion going forward for the next six years. And we're-- and, with that, we're talking a Cash Reserve in the forecast period in the area of 30 percent of our budget, and that is a very robust Reserve. The

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ending balance, coupled with the Reserve, yields over \$2 billion a year by '29-30, and I think essentially--

ARCH: One minute.

BRIESE: --all years between now and then. Thank you, Mr. President. But you might ask, well, what assumptions are we using here? The analysis assumes budget growth higher than what we anticipate this biennium. It assumes revenue growth of 0.8 percent for next biennium and only 2.5 percent for the following biennium. When one considers that average revenue growth is in the 4.75 percent area, those are very conservative numbers. And these, these cuts and this, this tax relief and education funding reform, it is being phased in responsibly. It's being stairstepped in for a reason to, to ensure that things work and we're being responsible in how we do it. And it's been cash-flowed in many ways. And I'm confident that it passes the test of economic viability and sustainability. Thank you, Mr. President.

ARCH: Senator Geist, you are recognized to speak.

GEIST: Thank you, Mr. President. I stand in support of LB754 and AM1063. Senator Cavanaugh, I-- sorry. I'm not in support of LB1068 [SIC-- AM1068]. But I do want to focus especially on the, the portion of LB754 that decreases the individual and corporate top-tier income tax rates gradually. And the reason I-- I'm, I'm so in support of that is, if you take a look at the income tax rates at-- in our region, all the states around Nebraska are lower than Nebraska. If we as a state have an emphasis on growing our state, on expanding the reach of business across our state and luring business and workers to our state, we have to be competitive in our region. And I understand the pushback. I know not everyone pays income tax, but a lot of people do and businesses certainly do. So if we intend to grow our state, we must pass income tax relief like this. Therefore, I stand in full support of this bill. And with the rest of my time, I would like to yield that to Senator Linehan if she would so choose.

ARCH: Senator Linehan, 3:30.

LINEHAN: Thank you, Senator Geist. Thank you, Mr. President. So you all should have the orange-- I know this is kind of an odd color maybe, but I liked it because you can find it in your piles of papers that we've been handing out, but this is the outline of the whole package. So as we're going through here, if you have questions, please feel free to come and talk to me, talk to staff

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that's up here on the floor or talk to the sponsors of the bill that's in the package. When we did the incentive package in 2020, I made it clear, uncomfortably clear to some, that I don't like big incentive packages. I don't like picking winners and losers. We have no control over what happens to those. I think Senator Stinner was here, Chairman Stinner. One of the reasons we were so short on money in 2017 wasn't because we hadn't collected enough taxes. It was because something like \$350 million of incentives came due that we didn't know were going to come due. So we do a big incentive package and we send it out. And why do we have incentive packages? We have incentive packages because we have been told-- and it's almost happened a couple times-- you're going to lose industry and businesses if we don't have an incentive package because our income taxes are too high. And this can happen, like, in a matter of days. When we were working on-- 2020 on LB1107, one company got bought in Omaha by another company. [RECORDER MALFUNCTION]-- all out will do anything to keep the company here. So I think it was one of Senator Kauth's first Revenue Committee hearings-- or, one of the first times she was-- meeting the Revenue Committee was this kind of this, like, well, did you just-- I think Senator Kauth's question was, did you just do this for one company? And the response from Revenue staff was, oh, no. We can't do that. And I turned around and winked at her and said, that's exactly what we did. So we can either lower income taxes, stop picking winners and losers or we can depend on incentive packages. Now, how serious is this going to get in our time right here?

ARCH: One minute.

LINEHAN: We have a major employer in Omaha, all across the state. Actually, I think they're the largest property taxpayer in the state. And they're not an ag company. They're a railroad, Union Pacific. And they have just announced they're looking for a new CEO. Now, what would we be willing to do to keep Union Pacific in Nebraska? One of the people that was involved in Blueprint was Lance Fritz. Scott Moore is a friend of mine. Scott Moore used to be here as a state senator. We have got to lower the top rate, guys. I have-- in all of this package, that is the most important thing we do, is lower the top rate on the high-income earners or they're not going to live here. And if they don't live here, we don't get any taxes. Thank you, Mr. President.

ARCH: Senator Slama, you're recognized to speak.

SLAMA: Thank you, Mr. President. And thank you to Senator Linehan for bringing LB754. I rise today in strong support of both of the Revenue

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split amendments and opposed to AM1068. Wow. I feel like I'm getting older because I can't quite read that anymore. But my story in representing District 1 is going to be the same when we talk about income taxes and property taxes, because Nebraska is behind in both. My district's in southeast Nebraska. I represent Otoe, Nemaha, Johnson, Pawnee and Richardson Counties. All of those counties are within, I think, at least 50 miles of Iowa, Missouri and Kansas. So we are in direct competition with those three states when it comes to income taxes and property taxes. And we are hemorrhaging people because it's cheaper to work, live and raise a family there. So when Senator Linehan brings bills like LB754 and certain people talk about how people have never raised how high taxes are driving young people away, come talk to me. I've got a lot of people in my district who have and who have chosen to move to other states, either to live and/or work, because it, it's cheaper. It's more affordable. And all they have to do is cross the border to see their families. So with that, I am in strong support of Senator Linehan's LB754 and I'd like to yield the remainder of my time to Senator Linehan.

ARCH: Senator Linehan, 3:30.

LINEHAN: Thank you. To Senator Slama-- thank you, Senator Slama. To your point on people moving, I have to tell you when the bill was brought, that we included in this-- I'm trying to figure out which number it was-- LB173, which Senator Kauth and Senator Bostar worked on-- that people had to-- if they were here for 15 days or less, they wouldn't pay Nebraska income taxes. When the first bill was introduced, it was 30 days. And I was nervous. You know why I was nervous? Because how hard is it going to be to live in Council Bluffs or in all those nice little communities across the river surrounding Council Bluffs, work from home and visit First National Bank in Omaha once a month? And why wouldn't you? If you can work from home, live as close to family-- I live in Elkhorn. I'm sure if I lived in Iowa, I could get to the Eppley Airfield a lot faster than I can get to Eppley now. It takes me 45 minutes to get to Eppley. We are just not being honest with ourselves if we think that people won't move 10 miles to pay half what they're paying in income taxes, let alone property taxes. I have examples in my own family. People who live in Keystone, Colorado, property taxes are about 25 percent, 30 percent of what they are here. Income taxes are about half. So I don't know. You could-- I live here because I have grandchildren here and I love Nebraska. I wouldn't be here if I didn't love Nebraska. But you can buy a lot of airplane tickets for \$10,000 or \$20,000 to come visit grandkids. This-- I, I don't even-- I-- part of the package is the childcare tax credits. I do feel, because I have a whole bunch of grandkids and

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several of them are in childcare, it's horribly expensive. I think we need to do something for those people, those young families. And that's part of the negotiation here in the committee, is we're going to cut the top rate and we're also going to take care of people who are struggling because they got little kids costing two-- to \$2,500 a month in daycare. They've got student loans. And none of that is tax deductible, by the way-- not your student loans, not your daycare expenses.

ARCH: One minute.

LINEHAN: So you could be-- you could be two lawyers and making \$150,000 or \$200,000 a year. By the time you pay your daycare and your student loans, you don't have very much money. Thank you, Mr. President.

ARCH: Senator Blood, you are recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I had several questions off the mike. And I'm just going to try and put this in as small synopsis as I can and explain my part of the bill, which is really quite simple. So currently, 100 percent of the annuity benefits that federal retirees receive are subject to Nebraska state income tax. That's as simple as I can get. In contrast, we know that individuals that receive Social Security benefits now are taxed at a reduced rate. And hopefully after today, they'll be even greater. So we need to make sure that when we talk about retirees that we include the voices of our federal retirees, because the ones in Nebraska are people, like, at the USDA, the Veterans Administration, National Park Service, IRS, Social Security, U.S. Army Corps of Engineers and many others whose only jobs are to make our lives better. So what a great message we can give by saying that we see them and we want to make sure that their retirement is better and that they stay in Nebraska and they have disposable income that they put back into our budget because we know when we are able to alleviate these types of taxes, that those dollars are spent locally. We have facts and data that show that. And so that is probably the easiest way I can explain it. And with that, I would yield any extra time I have left to Senator Linehan.

ARCH: Senator Linehan, 3:30.

LINEHAN: Thank you. I'm going to echo Senator Briese's comments earlier on-- and I know I'm going to sound like a broken record, but that's what we get. For eight hours, that's what you're going to get:

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broken record. This is a package. We pass this first. Hopefully we get to property taxes on Friday. Hopefully-- the education funding bill came out of Education this morning. Hopefully that's next week. It all moves together. Now, there are things, there are things that I'm not particularly fond of in the whole big package. There are other things that are very dear to me: scholarship tax cut, my priority bill for five years. School funding, I'm a little nervous. It's a lot of money. Is-- Senator Murman's not-- Senator Briese, maybe you can help me. Senator Briese, would you yield to a question?

ARCH: Senator Briese, will you yield?

BRIESE: Yes.

LINEHAN: Do you remember this morning on the school funding bills the amount of money that we were-- additional new money over and above what we currently fund public education in Nebraska, what it was on an annual basis?

BRIESE: I think it's right at \$305 million per year.

LINEHAN: \$305 million per year for public education going forth.

BRIESE: Yes.

LINEHAN: And also in part of this package and part of the Governor's plan is-- there's a Education Future Fund, right?

BRIESE: Yes, of a billion dollars.

LINEHAN: And a billion dollars this year, of which some of this spending will come out of that. But then it's also going to be-- isn't there money going into that fund every year for the next several years or next three or four for sure?

BRIESE: It's my understanding that we're going to put in \$250 million per year into that Education Future Fund and then withdraw as needed to accommodate our goals of putting those dollars into public education.

LINEHAN: And since you and I have been here, we have worked quite a bit on school funding, have we not, and property taxes?

BRIESE: Yes.

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LINEHAN: And one of the concerns by always the larger equalized school was, we can't do anything for the little schools or the STANCE schools. Those would be the schools in the middle. They're not great big and they're not-- think of the-- nevermind. I was going to say, think of the Three Bears-- great big, in the middle, little. So the middle-- they weren't very excited about giving the middle schools--

ARCH: One minute.

LINEHAN: --STANCE schools money either, were they?

BRIESE: No, they have not been.

LINEHAN: Because they were always afraid we could not sustain it, right?

BRIESE: Correct.

LINEHAN: So part of the reason we have a billion dollars in the Education Futures Fund is to convince the schools that not only are we going to increase funding \$300 million, we're going to set aside the Education Future Fund so we can ensure that we can keep our part of the bargain.

BRIESE: Yes, that, that would be the safety net, for sure.

LINEHAN: Thank you, Senator Briese. Thank you, Mr. President.

ARCH: Senator Clements, you are recognized to speak.

CLEMENTS: Thank you, Mr. President. I stand opposition to AM1066 and support the income tax proposal, that 3.99 percent. I've been doing tax preparation for about 44 years, and I can't remember when it went to 6.84 percent, but it's been 20 or 25 years. I'm not sure. Somebody probably knows that. But I've been wondering when we'd ever get to where we could lower that some. I've been really-- appreciated that, last year, we were able to target 5.84 percent. And I was looking at the projected General Fund status, the preliminary Appropriations company [SIC] report. On page 3, the revenues are showing \$6.44 billion for this current fiscal year and spending of \$5.15 billion. So that's \$1.27 billion extra money. And spending will increase slightly, but revenues are going to increase some too. So there's a billion-- over a billion dollars of excess revenues we have. And I believe that the 3.99 percent, it's time to, when we overcharge somebody in a business and figure it out, we give them back their change, what they had coming from their overpayment. And I think what we're finding out

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here, the state has received an overpayment of taxes, and it belongs back to the taxpayers as long as we can continue to fund state government, which we do have the-- we're not-- we're going to continue to retain enough revenue to do that. But we are in a terrible competition with other states. I was really pleased that we reduced taxes completely on military retirement. I've had comments that that's keeping people here. Social Security, the tax returns I'm doing this year. It's really fun to show them 40 percent of your Social Security is not being taxed in 2022 by the state. And senior citizens, I've got one couple that moved back here from Arizona to Nebraska, partly for family reasons, but also a couple that have over \$50,000 of Social Security benefits. And when I can show them \$20,000 of-- for this year's tax return, that it's coming back, that it's encouraging them to stay. And they are a couple that could move and live anywhere. So I do support the current tax package and would-- well, if Senator Linehan is not busy, I would yield the rest of my time. Senator Linehan, would you care for my time? Yes, I yield--

ARCH: Senator Linehan, 1:20.

LINEHAN: Thank you very much. Maybe I should have thought about that before I said yes. I don't know. It's my understanding too, just as long as we're burying everybody in paper, that the Governor's office-- and I don't see Senator Murman-- but the new numbers for the education funding bill should have been emailed, sent to your offices--

ARCH: One minute.

LINEHAN: --in the last couple of hours. So you might want to get that in hand. Again, it's a package, a whole package. The top rate's got to come down. Thank you, Mr. President.

ARCH: Senator Linehan, you are next up in the queue.

LINEHAN: Oh, thank you. There you are, Senator Murman. Senator Murman, would you yield to a question?

ARCH: Senator Murman, will you yield?

MURMAN: Yes.

LINEHAN: So is it your understanding, Senator Murman, that this education funding, which is-- Senator Briese was here before-- I think the bill that you kicked out of committee this morning. It's about \$300 million, a little over \$305 million per year new public education funding, right? New above where we are now?

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MURMAN: Yes, that's correct. It's a very substantial increase in education funding.

LINEHAN: And you understand the Governor's package to include income tax cuts, property tax cuts and new funding for K-12 public education.

MURMAN: Yes. The discussion all year in the Revenue Committee is that everything goes as a package.

LINEHAN: All right. And one piece of it-- and you've been here now-- this is, what, your fifth year?

MURMAN: Yes.

LINEHAN: So you were here for LB1107 and LB873 and when we went through nights like this and--

MURMAN: Yes.

LINEHAN: --and we all agreed to disagree?

MURMAN: Yes. We've had the compromise going for, what, I think about the fourth year now that as we decrease taxes, property taxes will be decreased in proportion with other taxes.

LINEHAN: Right. And is that your understanding how this is going to work?

MURMAN: Yes. My understanding is that that is true of, of this total package.

LINEHAN: So has it also been your experience-- I think I know because you've been here-- that when we try to do one without the other, we don't ever get to 33?

MURMAN: That's correct. As greater Nebraska, rural Nebraska senators, we do have the ability to at least stop something bad from happening even worse than the overreliance on property taxes.

LINEHAN: Just to be clear, my position is it's all good. All tax cuts are good.

MURMAN: Yes. Yes. I--

LINEHAN: OK. OK.

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MURMAN: --I'm very much in favor of giving as much money back to the taxpayers where it rightfully belongs.

LINEHAN: Right. Thank you, Senator Murman. I'm going to address something else that's kind of going on about whether we-- whose taxes we lower and how much, you know, people at the-- that are lower, moderate income people are not getting back in this package. If we believe, which I do, we're collecting-- well, it's just a fact we're collecting too much money. When we're saying we got \$2 billion sitting around and a billion dollars in Education Futures Fund, we're clearly collecting too much money. So if we're collecting too much money-- and Senator Clements mentioned this-- when you're collecting too much money-- Senator Clements, would you yield to a question, please?

ARCH: Senator Clements, will you yield?

CLEMENTS: Yes.

LINEHAN: I think what I heard you say-- and I agree 100 percent- is if you char-- if you take too much money from somebody, you give them the money back, right?

CLEMENTS: Correct.

LINEHAN: Right. So if we have taxed people too much, we need to give the money back to the people we taxed too much, not to do some kind of-- I wish I was better at saying this, but I'm going to be very-- too blunt probably. My children will text me and tell me I was. If we take money from somebody who's earned money and give it to somebody who didn't pay taxes, that is not a tax cut. That's a redistribution-- redistribution of wealth. Now, we can have that conversation, and it's a legitimate conversation. But to give money back to people who didn't pay it is not a tax cut. We have-- a lot of people in Nebraska are paying very high taxes.

ARCH: One minute.

LINEHAN: And they paid too much in taxes. So we need to give the money back to them. Thank you, Mr. President.

ARCH: Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. And I stand in support of Senator Cavanaugh's amendment, AM1068. And, of course, I stand in solidarity in giving appropriate tax cuts. But I have so many questions that I've fired out earlier. And-- I'm a businessperson and I look at Bloomberg,

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Wall Street Journal and there are certain factors, economic factors going on right now, that give me pause and I'm more cautious than most people out there. And I recognize we have a surplus. But I would like to slow it down. Right now, we're-- we have inflation that is really impacting economic growth. We have higher interest rates. Hopefully, the Fed will keep them stabilized at the current rate, but that certainly impacts economic growth. We have a truly volatile stock market right now, more than in the, the last year. And then, of course, we have a lot of skittish banking policies out there. And so my concern going forward is, what are some of the economic indicators we have as a Legislature to pull back should there be shortcomings? And I know Senator Clements, I love what he said, that this is a good tax cut as long as we can continue to fund state government. And I recognize that is our real priority. But let's-- I just want to focus on LB754. I like Senator Cavanaugh's recommendation and his amendment to flip it around a bit because, actually, the package as presented is really a windfall for Nebraska's highest paid. The income package predominantly benefits high-income taxpayers in and outside of our state. Now, I acknowledge if you are a high earner, naturally you're going to be paying more in taxes. But, however, out of the entire package, the top 1 percent of Nebraska incomes, those over \$600,000, see a cut more than five times greater than any other resident. So the reality is very little of this package is targeted to low- and middle-income Nebraskans. And the average cut for the majority of Nebraskans is tiny when compared to the tax savings that the higher paid Nebraskans would receive. And this is from the Institute of Taxation and Economic Policy, March 2023, when they, they looked at the analysis. My concern is this is projecting out for, you know, more than four years, which I really commend them because I like to see forecasting and how it's going to impact. But there's so many variables out there, economic variables, that we can't predict, we can't control, but we have to be able to react to. And-- so what I had asked Senator Linehan to look at is what are-- and I hate the word trigger, but I'm going to say trigger-- what are those economic triggers that, that would automatically and objectively set things in process so that we would pause any continuation of the tax increase-- tax cut, cuts going forward every, every year? What are those objective triggers that can be put in place so that, you know, four years from now we don't have to really deal with it because our economic indicators have shown that we can't go forward with the next round of tax cuts? And so that's, you know, one of, one of my big concerns. Let me see. The, the ITEP estimates that the average tax savings for the bottom 87 percent--

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ARCH: One minute.

RAYBOULD: Thank you, Mr. President-- from the childcare tax credit specifically is less than \$50. So-- and I really commend Senator Bostar. And we can talk about the childcare tax credits, which I am 100 percent supportive of. However, the top tax cut for the top 1 percent would be, on average, nearly \$26,000 annually. So when you look at the impact-- and that's why Senator Cavanaugh's proposal amendment flips it around, where the low- and mid-income earners get a higher tax cut, whereas the higher taxpayers, they still get a tax cut. They absolutely do get a tax cut, but it's not at the progression level anticipated in LB754. And next round, I'll try to ask Senator Linehan a whole bunch of questions. Thank you, Mr. President.

ARCH: Senator Moser, you're recognized-- oh, I'm sorry. Excuse me. Mr. Clerk for items.

CLERK: Mr. President, quickly, some items. Senator Hunt, withdraw and refile several amendments to LB754 to refile to Select File. Additionally, motions to be printed: Senator Hunt to LB531 and LB630. Additionally-- additional motion to be printed: Senator Kauth-- excuse me-- amendment to LB754. That's all I have at this time, Mr. President.

ARCH: Senator Moser, you are recognized to speak.

MOSER: Thank you, Mr. President. Well, I support the tax cut package that the Revenue Committee is bringing forward. Typically, how government works-- or, at least in my 20 years of, of-- or, 16-plus years of being in government-- is we predict what we have in expenses and we predict what revenue we need to cover those expenses and we set tax rates to bring in the revenue to cover those expenses so we can pay our bills. As a state, we're not allowed to deficit spend. We need to make sure that we have the revenue to spend the money that we need to spend to make government work. But in our current situation, our revenues are way higher than what our current needs are. And so to adjust those rates I think is smart, to allow people to keep more of their money and not take the money away from them against their will. As far as future adjustments, you know, every two years we do a new budget. We get forecasts numerous times through the year. And if the forecasts change, we can always change our budget. We-- for that matter, we could change our tax rates if we have to. But I think to keep tax rates higher and hoard all this money is wrong. I think the citizens should have it. They have expenses. There's inflation. There's plenty of place for our citizens to put this cash and-- rather

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than keep building our coffers bigger and bigger and bigger, I, I just think that's wrong. Thank you.

ARCH: Senator Brandt, you are recognized to speak.

BRANDT: Thank you, Mr. Speaker. Thank you, Senator Linehan and the Revenue Committee, for bringing this bill. I agree with what Senator Slama said earlier about the discrepancy in taxes between neighboring states. My district borders Kansas. I can tell you our property taxes are two-thirds higher than Kansas. I know Missouri is even less than Kansas, and my research has shown that Iowa is less than that. And I know this bill is about income tax, but what we've been talking about is a, a correlation between the income tax and the property taxes. Senator Linehan, would you be available for a question?

ARCH: Senator Linehan, will you yield?

LINEHAN: Certainly. Thank you. Yes.

BRANDT: So the-- we're talking about-- historically, we have done a dollar-for-dollar property tax versus income tax, and we've got several bills through the Governor's education and, and tax side. Are the Opportunity Scholarships counted as income tax in that equation?

LINEHAN: Yes.

BRANDT: OK. So then they're accounted for on the, on the dollar-for-dollar. Do you feel-- last year, the highest rate was 6.84 percent in Nebraska. And if this passes, we're going to go to 3.99 percent. Do you believe that's sustainable in the long term, to drop almost 3 percent?

LINEHAN: Yes, I do.

BRANDT: And what are, what are you using for that rationale?

LINEHAN: Everything that the Governor's Office has looked at-- and I can't speak to Senator Clements and the Appropriations Committee, but I think when they bring the budget to the floor it will be clear-- they're using growth and spending. They're use-- so they expect spending will increase. And I think we haven't settled on exactly what that number is yet, but that will be part of it. So they expect spending will increase. And our revenues-- right now, I think Senator Briese said we're averaging 4.5 percent. So the whole time I've been here-- and we always said that if we can keep spending at 3 percent below and we can keep revenues at 4 percent or above-- and when you're

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talking about billions of dollars, that stacks up pretty quickly-- and that's why we are where we are. We have kept spending lower than revenues. And that revenue growth over 40 years, there is-- and we will sometime have a downturn. But it's never-- it's not usually-- and that's in the budget books that we'll get-- it's not usually drops below what we got the year before. It just doesn't increase 4 percent.

BRANDT: All right. If the state were to get into a bind down the road, would you be in favor of cutting back on business incentives as opposed to increasing income tax?

LINEHAN: Yes.

BRANDT: I think that's a great answer. Thank you, Senator Linehan. Senator Briese, would you be available for a few questions?

ARCH: Senator Briese, will you yield?

BRIESE: Yes.

BRANDT: Thank you, Senator Briese. You were a part of LB1107 when that package was put together, would that be correct?

BRIESE: Yes.

BRANDT: And LB873?

BRIESE: Yes.

BRANDT: So the credits that-- the, the property tax gets through both of those programs, that, that really isn't a reduction in property taxes. That just covers the increase in property taxes.

BRIESE: Well, I, I don't know if I would go that far. The LB1107 credit has extended up to \$560 million. But, yes, I, I suppose overall annually, if you average it out, it might only kind of cover the increase.

BRANDT: So Nebraska typically sees about a 5 percent growth in property taxes annually. Would that be--

ARCH: One minute.

BRANDT: --a fair, fair statement?

BRIESE: Yes, I believe so.

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BRANDT: And that would be about \$160 million annually?

BRIESE: Oh, I think, I think we collect about \$5 billion in property taxes before the credits. So it would be \$200 million to \$250 million, quite likely.

BRANDT: Annually?

BRIESE: Yes.

BRANDT: So, I mean, really-- in four years, we could be looking at a billion dollar increase in property taxes?

BRIESE: I believe so, yes.

BRANDT: All right. Thank you. Senator DeKay, would you be available for a question?

ARCH: Senator DeKay, will you yield?

DeKAY: Yes.

BRANDT: I know you were hard at campaigning this last summer. When you were knocking on doors in your district, what were your people telling you about taxes?

DeKAY: Property tax is our biggest issue. And being up on the South Dakota border, it's-- to make that correlation between Nebraska and South Dakota is-- it's a question that needs to be answered going forward, where we're at with property--

ARCH: Time, Senator.

BRANDT: All right. Thank you.

ARCH: Senator Erdman, you are recognized to speak.

ERDMAN: Thank you, Mr. President. Good afternoon. I had hit my light early when the bill came up and I didn't get in place, so I shut it off, hit it again. I got down about 17, so I finally made it back. So what we've heard this afternoon is our property taxes are too high, people move across the st-- the, the, the border because taxes are less. And I want to give kudos to the Revenue Committee for working hard at trying to figure out how we get competitive with our neighbors. And Senator Linehan and I have had a discussion-- and I've always been supportive of what she does, and she understands that I appreciate her efforts. But what I'm here to tell you today is none of

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the things we're going to do in these tax bills get us into first place. And all of the things that we've talked about today to move the, the income tax rate down to 3.99 percent to help with property tax relief-- and Senator Brandt and Briese just briefly discussed how much it goes up every year. They're about right, \$250 million a year. If we adopt the opi-- EPIC option consumption tax, we don't have any of these discussions. We keep our young people here. In Senator Slama's district, they don't move to Missouri or Iowa or Kansas. They stay in Nebraska. In fact, people move to Nebraska because we'd be the most opportunistic tax state there is. No corporate income tax, no individual income tax, no property tax, no inheritance tax. Think about that. That is a significant move to the front of the line. The bad news is we pass all of these tax reduction bills in front of us, we don't move ahead of any of our neighbors. Now, the question was asked, are you going to vote for LB754? And I said, yes, I am. I'm not that stupid, that I wouldn't vote for a tax decrease. But what I will do is I will continue to push for the real answer. This is not the real answer. So until we get to that, we need to do all we can to alleviate the tax burden on Nebraska people. And Senator Linehan correctly stated, we're taking too much of everyone's money and holding it in a rainy day fund, our Cash Reserve. So under the consumption tax proposal, you, you the taxpayer, get to decide how much taxes you pay; not the government, but you. And people have said this is a radical idea. Has anyone tried this? Well, those seven states that don't have income tax do better when things are good and they do a lot better when things turn bad. So we'll have a lot of discussion, probably eight hours, on these bills. And Senator John Cavanaugh wants to reduce it by a little slower rate. But the point is, every one of these people that talked about what they're trying to fix, this really doesn't fix it. Does it help? Yes, it'll help. But the real answer is to fix the problem. And so Senator Briese and Senator Brandt had a discussion about, is this a reduction in the increase? And when you have a \$250 million annual increase--

ARCH: One minute.

ERDMAN: --in property tax, that's exactly what it is. It's a decrease in the increase. So if you have an opportunity to fix it once and for all, that would be the choice you should make. And so we're giving the voters an opportunity-- we're circulating a petition to get it on the ballot-- for them to vote, to put them in first place, to put them in charge of how much taxes they pay and when they pay them. That sounds like local control to me. So Senator Linehan and Briese and those in the Revenue Committee, I'm voting for your bill. I'm voting for that. I'm supporting you. But you know as well as I do that I don't believe

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this is the real answer. But I'm going to support your effort because I understand we need something in the gap until we get there. Thank you.

ARCH: Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Colleagues, I rise today in favor of AM1068. I want to start by saying a couple of things here. So first of all, I want to join in, I guess, the chorus of folks who are thanking Senator Linehan and others for their hard work on these bills. As some of you may know, I am on Revenue. I was the one person who voted against this package as it came out. And I want to clarify a couple of things. As you all know by now, this package has in it a number of different bills, and those bills seem to address a number of different concerns that senators have. The part of the bill that I had the most issue with was what we're talking about here, which is the reduction of the income and corporate tax rate to 3.99 percent. The core of my concern is simple, and it, it's really just that I am worried about how things are going to look in the future. I understand that there have been numbers discussed here where there are some projections that things are going to be fine in the next 10 years. But I would also posit to you that there are numbers out there that show projections that things are not going to be fine or that this will not be quite as sunshiny or, or positive as, as people think. And so the concern I have is that if we are in a state right now where we are seeking to increase significantly our dedication to schools while simultaneously seeking to decrease the amount of revenue that we take in, that just seems like a problem. And I knew this was part of the, the package-- or, the concern coming into the session, and I was very interested to be a part of that conversation. And we all received the Governor's budget book when we heard the State of the State. And when you look at the page 7, the General Fund financial status-- very base reading of this, you're going to see on the top of that revenues that take into consideration the proposed reduction in tax rates. And then you'll also see the appropriations that take into consideration a number of proposed bills. And by fiscal year 2025-2026, the General Fund is in the red. And that's not numbers that are being presented by some biased organization. Those are not numbers that are being presented by anybody else. The Governor's own budget puts us in a situation where the General Fund status is in the red. And what concerns me about that is I understand that we do have more money than we've ever had historically or for a long time-- and we do have a very, very robust rainy day fund-- but to rely on savings is something that I was always taught was never necessarily a good idea. Now, that doesn't mean I'm against all tax cuts. I mean, your taxes are too high, so are mine.

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Everybody agrees that tax cuts are generally better. But the question is just how do we do it in a way that is fiscally responsible? I rise in support of AM1068 and, if AM1068 is adopted, would be in favor of LB754. Colleagues, for those who are actually listening, I want to make something very, very, very clear. AM1068 is not a filibuster amendment. It's not an amendment that's meant to jam up the process. It's an amendment that is legitimately seeking a compromise on the reduction of the top tax bracket. So by reducing that proposed 3.99 percent-- or, I'm sorry-- increasing the 3.99 percent to 4.99 percent in the top tax bracket, what we are seeking to do is still achieve a reduction in the overall income and corporate tax rates by the year 2027. But that top bracket for individual income and also corporate stops at 4.99 percent. And, rough numbers-- again, we're going to talk about this, it sounds like, all day and all night-- but rough numbers that I see on that is that that could potentially, that small modification, 3.99 percent to 4.99 percent, could save the state about \$300 million-ish. So when we're talking about programs that cost \$25 million a year, hypothetically, saving \$300 million in the event of economic downturn to me seems like a pretty good deal.

ARCH: One minute.

DUNGAN: Thank you, Mr. President. And so I'll probably talk a number of other times about some of my concerns about the package or about the income tax given my, my being on the Revenue Committee and some of the testimony that I've heard. But I just want to make it incredibly clear to my colleagues: this is not us trying to slow the process down. You will actually, in fact, see, if you look it up, that some of the amendments were moved around here to make sure we could actually address this. And the reason for that is this is a legitimate change to a bill that I think frankly addresses the concerns of some of the rural folks in the room. I think it addresses the concern of everybody who wants to see a tax reduction because, again, this is still a reduction from the 5.84 percent that it would be in 2027 down to 4.99 percent. So in, in a world where compromise is what we've been trying to reach, I think this is a situation wherein everybody wins to a certain extent. So, colleagues, please look at the amendment. Please listen to the testimony you're going to hear today. It actually is us trying to find some common ground. So, I-- we'll talk again. I'll go into more details.

ARCH: Time, Senator.

DUNGAN: Thank you, Mr. President.

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ARCH: Senator von Gillern, you're recognized.

von GILLERN: Thank you, Mr. President. I rise in support of LB754 and the committee amendment, but against LB-- or, excuse me-- AM1068. I shared this morning with many of you that my belief is that when we have extra money as a state, that we should give it back to, to the taxpayers. And that's something that I shared when I, when I was campaigning and I was talking to people and they said, well, what are you going to do if you get elected to cut taxes? Everybody says they want to cut taxes. And I said, well, the first thing we need to do is get money back into the hands of the people that paid it. And that's what this package does. I mean, LB754 is a package. I appreciate Senator Briese pointing that out earlier. It's not only a package of bills within itself, but it's also critically tied to other packages that are going to come before this floor for debate. The, the basic underlying philosophy around this, in my mind, is the fact that-- and we've got to get our heads around this-- this is not our money. It belongs to the people. It belongs to the taxpayers that wrote the checks, earned the money and sent a portion of it in to, to operate the state government. LB754 gives back tax revenue that the state has collected but is not needed. And it's cutting taxes from those that have paid the bulk of those taxes. This is a package deal. It has, it has something in it for everyone, and that was very intentional. The fact is that the higher brackets pay the vast majority of the taxes in the state. And that is simple and true. It's not debatable. I actually asked that question of OpenSky when they testified in our hearings and they said they didn't have the data-- but I'm confident that they do-- to, to illustrate that fact. I'm not opposed to cutting taxes for middle-income earners. It would-- this would impact several of my kids and grandkids, and so I don't take it lightly my position on this. But there are other tax credits and benefits that are available to that bracket that are not available to the higher bracket. And the reality is that there is a-- there's a dramatically high number of Nebraskans that don't contribute at all to our state revenue, that pays no taxes at all. I've asked for those numbers of people that that will impact and, and actually the, the LB10-- or, AM1068 that Senator Cavanaugh has proposed. And, and I'd be interested to see those numbers to know exactly what they pan out to be. But again, the, the, the tax cuts apply to people that pay taxes, not to people that don't. The package, again, was intentionally assembled to cover a broad spectrum of taxpayers, and I believe that it does that. To the, to the viability of the tax cuts, I want to share that the Governor's PRO office testified to the resiliency of these cuts. With a Cash Reserve of approximately \$1.6 billion after this package is passed, the number

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has proved out that it'll withstand the three worst economic years that we've seen in the past decade. And that was a litmus test that was compelling to me. The Budget Office took the worst two revenue years of the last 10 years and presumed that those tax revenues and current expenses and the tax cuts that are proposed and ran them out over future years. And what they showed was that we could withstand three of the worst revenue years that we've seen in the last 10 years and still have a budget surplus. It would, it would come close to depleting that budget surplus, but we would still be in the black. And I think that's-- again, that's important. I think that's at least a good litmus test for me to, to say that we can withstand this, that it is resilient. One of the pieces of this, again, is LB492, is a bill that I proposed, which allows for the full expensing of factory equipment, and that affects companies like Chief Industries and Valmont and Lindsay Manufacturing and Becton Dickinson. These are companies that are all over the state of Nebraska and employ thousands of blue collar workers.

ARCH: One minute.

von GILLERN: These are the people that we're talking about trying to get benefit back to. This tax benefit that is addressed in LB492 has been existence in a number of years and-- for a number of years and simply expired and needs to be renewed. And in conversations with the chambers, in both state and local chambers, we know that the Nebraska tax structure is a deterrent to firms looking to move here. It makes those that are already here question their logic. I know personally of a firm that moved a substantial portion of their factory operations to Texas this past year solely because of the tax structure. Do you think the jobs went with that? You better believe they did. We need to see this package pass so that we can do good things for seniors receiving Social Security benefits, for federal retirees, for families who utilize childcare and for businesses who employ Nebraskans. Thank you.

ARCH: Senator Bostelman, you're recognized to speak.

BOSTELMAN: Thank you, Mr. Speaker. I yield my time to Senator Linehan.

ARCH: Senator Linehan, 4:50.

LINEHAN: Thank you, Senator Bostelman. And thank you, Mr. President. Senator Dungan, would you yield to a question?

ARCH: Senator Dungan, will you yield?

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DUNGAN: Sorry. Yes, Mr. President. Ow. I shocked myself. Keep doing that.

LINEHAN: So you were-- when you were up just a minute ago, you were talking about page 7 of the Governor's budget. Do you have that?

DUNGAN: I do.

LINEHAN: OK. So could you look up at line 13 on that budget?

DUNGAN: General fund transfers out to Education Future Fund?

LINEHAN: Yes.

DUNGAN: Yes.

LINEHAN: So in '23-24, what is the money that we're going to put into the Education Future Fund?

DUNGAN: For fiscal year-- the 2023-24?

LINEHAN: Um-hum.

DUNGAN: I think that's the \$1 billion.

LINEHAN: \$1 billion.

DUNGAN: Correct.

LINEHAN: And then in '24-25?

DUNGAN: That's another \$250 million.

LINEHAN: And then in '25-26?

DUNGAN: Same, \$250 million.

LINEHAN: And '26-27?

DUNGAN: Also same, \$250 million.

LINEHAN: So, quick math, that's \$1.75 billion.

DUNGAN: Yes, I believe you.

LINEHAN: Yes. OK. So that, that is money that's being set aside.

DUNGAN: Correct.

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LINEHAN: Now, when we get to the education funding bill, some of that will be used. But we're committing \$1.7 billion to education, right?

DUNGAN: Correct.

LINEHAN: And then you talked about the bottom of the '25-26. I think these were the numbers you were talking about, line 36.

DUNGAN: Correct.

LINEHAN: So those may seem like big numbers in the outyears, but those are not big numbers, and-- especially if you compare them to those numbers up there where we're, we're saving money. Are you follow my reasoning? We are, like, putting away \$1 billion, \$250 million, \$250 million, \$250 million. So \$1.7 billion. And the numbers you're talking about down here are about \$138 million?

DUNGAN: The numbers I was referencing in line 36?

LINEHAN: Right. So \$12 million plus \$127 million would be \$139 million.

DUNGAN: Sure. Yeah. And I see that line 36. That's the structural receipts versus appropriations. I see that as the difference between the total expenditures and then the appropriations being made in the fiscal year.

LINEHAN: But the point is the-- line 13 is not truly expenditures, right?

DUNGAN: Line 13-- it's being set aside to a particular fund.

LINEHAN: Right. But it's not money we don't have.

DUNGAN: But my, my reading of that is that it's an appropriation. Even if they're not spending it immediately in that moment, it's being set aside and it's technically an appropriation.

LINEHAN: Well, let me ask the question this way. Would you say that \$1.75 billion is a lot more than \$138 million?

DUNGAN: Yes, I would absolutely say that those numbers-- yeah. \$1.75 billion is bigger than that, yeah.

LINEHAN: OK. And then do you have page 9 of the budget there? Do you have the whole book?

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DUNGAN: I do.

LINEHAN: OK.

DUNGAN: I kept it for light reading. Yes, I'm ready.

LINEHAN: So that would be the Cash Reserve Fund status, right?

DUNGAN: I'm sorry. Say that again.

LINEHAN: The-- page 9.

DUNGAN: Cash Reserve Fund status? Yes.

LINEHAN: Yes. So at the end of '23-24, what does it say we're going to have in the Cash Reserve Fund status?

DUNGAN: '23-24, \$1.6 billion-ish.

LINEHAN: And in '24-25?

DUNGAN: Same.

LINEHAN: And in '25- 26?

DUNGAN: Same.

LINEHAN: And in '26-27?

DUNGAN: \$1.6 billion, same.

LINEHAN: So we have \$1.7 billion that we're dedicating to the Education Trust Fund and we have \$1.6 billion in the rainy day fund.

DUNGAN: That's-- we have \$1.6 billion in the Cash Reserve Fund status, yeah.

LINEHAN: Yes. OK. And then if you go back to page 7.

ARCH: One minute.

LINEHAN: Quickly.

DUNGAN: Yes, yes, yes. Go ahead.

LINEHAN: Line 29, minimum biennial reserve requirement.

DUNGAN: Yes.

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LINEHAN: What is that number?

DUNGAN: Minimum biennial reserve requirement for '24-25?

LINEHAN: Um-hum.

DUNGAN: \$324 million-ish.

LINEHAN: So that's extra money that we have to-- by the law. That's what we have to have as a reserve.

DUNGAN: Correct.

LINEHAN: Reserve Fund status is extra money we have. So those two numbers added together would be \$2 billion, right?

DUNGAN: That sounds about right, yes.

LINEHAN: OK. That is why I'm saying-- thank you, Mr.-- excuse me-- Senator Dungan. That's why I am saying this and why the Governor is saying, why the Appropriations Chairman is saying, this is sustainable. You're talking about \$3 billion in extra money for cushion. \$3 billion. Thank you, Mr. President.

ARCH: Mr. Clerk for items.

CLERK: Thank you, Mr. President. Quickly: an amendment to, to be printed to LB516 from Senator Walz. Additionally, notice that the Appropriations Committee will hold an Executive Session at 4:00 p.m. in room 1307. Appropriations, Exec Session, 4:00 in room 1307. That's all I have at this time.

ARCH: Senator Sanders, you are recognized to speak.

SANDERS: Thank you, Mr. President. Good afternoon, colleagues. I rise in support of LB754 and both divisions of the committee amendment. I would like to thank Senator Linehan for continuing efforts to make Nebraska more competitive. I also want to thank all of the Revenue Committee members for all of their hard work assembling this proposal. LB754 is a great next step towards making Nebraska more competitive with our neighbors. In fact, Senator Linehan's bill is one of the-- one-- part of many bills addressing tax reform in the Legislature this year. I look forward to discussing the Governor's school finance reform package, including LB584-- LB583, which was just passed out of Executive-- Education Committee this morning. Both of these bills are focused on attracting people and business to our state, whether it is

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related to income tax or how we finance our schools. Thank you, Mr. President. And I yield the remaining of my time to Senator Linehan.

ARCH: Senator Linehan, 3:50.

LINEHAN: Thank you, Senator Sanders. And thank you, Mr. President. Senator John Cavanaugh, would you yield to a question?

ARCH: Senator John Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

LINEHAN: So did you-- I think this is you, right?-- you handed out the 2022 Nebraska tax calculations schedule for individual income taxes?

J. CAVANAUGH: I did hand that out. My handwriting's not very good.

LINEHAN: So we're going to have that discussion that you knew we were going to have. At least hopefully you'll-- what is middle class and what is rich? That was where we were last year, right?

J. CAVANAUGH: We-- you and I have done this round and round before, yes.

LINEHAN: Yes. So you got single taxpayers'-- the top bracket kicks in at \$33,180. Right?

J. CAVANAUGH: I'm sorry. Single taxpayer top bracket kicks in at \$33,180. Is that what you just said?

LINEHAN: Yes.

J. CAVANAUGH: Yes.

LINEHAN: So is that middle class, wealthy? What is it?

J. CAVANAUGH: You know, I, I don't know-- I guess I'm not a sociology-- I don't know how to characterize that. And I don't-- I mean, I guess my opinion on that's not really relevant to the conversation.

LINEHAN: It's relevant to I think the body to know where you're thinking what's fair for tax cuts.

J. CAVANAUGH: Well, I suppose somebody's characterization of what is wealthy and what is not is-- I don't know how that is relevant to

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which taxes we should cut. Are you saying we should only cut taxes on the wealthy?

LINEHAN: No, I'm talking about the middle class. I think, I think \$31,180 is barely middle class, frankly. I think it's pretty hard to live on \$33,180. It's why I thought we should raise beginning teacher salary.

J. CAVANAUGH: And you wouldn't hear disagreement from me on that.

LINEHAN: So we can agree that that's middle class. Then we got married, filing jointly down below. So you're married, you're filing jointly. So there's two of you. Maybe, maybe not some children or some grandchildren. It was \$66,360 where the top bracket kicks in.

J. CAVANAUGH: Yes, that is true.

LINEHAN: So I would-- I don't think that's wealthy.

J. CAVANAUGH: And I wouldn't disagree with you on that either.

LINEHAN: OK. OK. So we are overtaxed in Nebraska. And it's not just because we're overtaxing the rich people. We are overtaxing the middle class. So these people, if you look at the sheet that Senator Cavanaugh sent out, those are the income levels. Now, let's, let's pretend that maybe somehow, because they're very, very frugal and they never eat out and they don't go to the movies, that the married, filing jointly taxpayers that are \$66,000 income, somehow manage to buy a house. They got lucky, inherit some money--

ARCH: One minute.

LINEHAN: --down payment. So their property taxes are probably \$5,000 a year. So you can drop that down to \$61,000. We're not talking about tax cuts for the rich. Yes, the rich will get tax cuts. They will. And they pay the vast majority of the taxes. And I will hand out-- I've already handed out. We'll talk about this next time I get a chance to be up. But we're talking about middle-class tax cuts. Thank you, Mr. President.

ARCH: Senator Murman, you're recognized to speak.

MURMAN: Thank you, Mr. Speaker. I am a member of the Revenue Committee and-- so I'd like to thank the Governor and, and Chair Linehan and all the members of the Revenue Committee for putting together this tax package. And I want to emphasize that as we went through the hearings

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this winter, we did work together with the other committees, the Appropriation Committee and the Education Committee, of which I'm a Chair. So it's a total package and I do support it. I've got some reservations that I'll talk to later. But my biggest concern is that, as has been addressed already on the floor, property tax relief has to be proportional to the amount of tax relief that we, we give to other taxes that are paid. And I think as long as the package goes as a total package, that is addressed. So I do support the LB754 with the Revenue Committee amendment and I am opposed to AM1068 by Senator John Cavanaugh. I was very happy this year to move to the Revenue Committee as Chair of the Education Committee. And traditionally, the Chair of the Education Committee does move to the Revenue Committee, and I'm very humbled and honored and privileged to serve on both of those committees. Both committees have very intelligent, well-spoken and hardworking senators on them, and it's just a privilege to be a part of that. I, I should say that it's a great time to be on the Revenue Committee and all of those committees, actually, because revenue just keeps coming in way above expectations. And with that happening, we have the opportunity to return as much of that tax money back to the taxpayers and keep it in the pocket of the taxpayers. They can spend that money, that hard-earned income that they have earned much more smartly, intelligently and in a way that will boost our economy much better than we can at the government level. And we can do that in a responsible way. We've already talked about how the Cash Reserve is very adequate; and by all estimations, it will be adequate or more than adequate even going forward. Senator von Gillern took a little bit of my thunder in saying that if we have three years that are as bad revenue coming in as, as the worst one in the last 10, three years in a row of that, we will still have an adequate Cash Reserve. So, right now we need to be, like I said, giving as much back to the taxpayers as we can, cutting taxes. And I think by reducing income tax down to 3.99 percent, that works out very well with balancing all kinds of tax cuts that we are trying to accomplish. I do represent eight counties that are along the southern tier in the middle part of the state. And of course, the most important tax that's most out of--

ARCH: One minute.

MURMAN: --balance there-- thank you-- and in the whole state is property taxes. And you can really see that being on the border, especially with agriculture. And of course, farmers do pay property taxes on their house and, and they do pay income tax as a small business just like everyone else. So these tax cuts are very important to, to us. And let's move forward as a package. I would like to talk a little bit about while-- the childcare part of the bill. I was

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present, not voting, but I know I'm running out of time, so I will address that when I get back on the mike. Thank you, Mr. Speaker.

ARCH: Senator Fredrickson, you are recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good afternoon, colleagues and Nebraskans. I rise today-- I am still not sure where I'm going to land on this bill. I, I've, I've been really appreciative of this discussion and I appreciate the Revenue Committee held a briefing earlier today on the bill, and I was really appreciative of that as well. Senator Linehan and Senator von Gillern have both been very helpful in answering some of my questions. I kind of joke with them. I said, I'm kind of flirting with the bill. I'm not sure if I'm ready to date the bill yet. So we'll kind of see where this goes and how the discussion rolls out. You know, I think, I think the thing that I-- we all I think agree on is, you know, and I, and I-- what I'm, you know, frankly, I'm really here for is-- you know, we, we want a prosperous future here in Nebraska. And I think that there's a lot of ways that we can do that. And I think that, you know, we want an environment here where Nebraskans can thrive. And I think that does include, frankly, having a, a thriving business community. I think it does include having attractive tax policy for folks to live here. And I also think we have to think about, you know, just from a workforce perspective, obviously, you know, this is a conversation that so many of us, of us are having and we're talking about talent attraction. And, you know, I'm sure there are some folks who are on Zillow and kind of doing the little calculator they have on there, trying to figure out what the tax rates are going to be and they're using that to kind of determine where, where they might live. But I also think that that's not the only thing that people are looking at when they're considering where they're wanting to live. And I think it's important that-- you know, we need to be honest, colleagues. Like, nothing, nothing happens in a vacuum, right? And so I've been saying that a lot about this session. I've been saying that a lot about, you know, a lot of the bills that we've been seeing this year. And I think that if-- as a state, I think if we're really truly going to set ourselves up for economic success and a prosperous future and sustainability and all these things and these buzzwords that we can say about this, we, we also-- we, we, we need to be taking a holistic approach to that. So, yes, that does involve tax policy, but it also involves looking at ways that we can ensure that we are attractive to, you know, workforce and, you know, that we are creating a culture and an environment in our state that is attractive to that key demographic, that working age demographic. And you have to ask yourself, like, you know, what are, what are young professionals interested in, right? They're interested

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in environments that, yes, there's affordable housing; yes, that there are jobs available, but a lot of these folks are also thinking about their kids. They're oftentimes young parents, so they're going to want to obviously have schools that their kids can go to. They want childcare infrastructure in place so they have those supports in place. And they're also going to be, you know, especially in the world we're living in, in 2023, they're going to be considering, you know, what's going on with local government. And is local government looking to promote, you know, belonging and welcomeness in the communities or is local government looking to actively restrict rights? I've got a four-year-old son and, you know, I constantly think about, you know, where, you know, what we want to teach him, how we want to raise him, teach him kindness, teach him respect. And I think as legislators, we need to take that seriously because we really do establish a lot of the culture that we see in this state. So, I'm happy to do what I can to support, you know, Nebraska's future, to support the business communities, to support having a competitive economic environment. I have no problem doing that. But we, we can't act like it's just taxes. We can't act like that's the only factor or the only thing that's going to solve the workforce issues we're seeing. We, we have to really truly think about this holistically. This is not a one, you know, one-shot thing. You know, we can have zero taxes in the state, and if we take away people's rights, no one's going to want to live here. That's what it comes down to. So we, we have to kind of be, be serious about this. The other thing I'm kind of--

HANSEN: One minute.

FREDRICKSON: --concerned about-- thank you, Mr. President. The other thing I'm concerned about is, is, you know, I think people talk a little about sustainability. I, I really don't-- and I, you know, I want to implore to my freshman colleagues in here as well, you know, if we're in here for four years or if we're fortunate enough to be in here for eight years, I don't think any of us want to ever be in a position where we have to raise taxes. You know, I've talked to a number of folks about that. And, you know, I've had conversations with Senator Linehan and von Gillern and some conversation with the Governor's PRO office about some of the forecasting that's been out there. I'm looking forward to looking at those numbers, particularly those numbers in the context of what happens when, you know, we do have another, you know, God forbid, pandemic or we have another economic crisis of sorts. You know, I want to make sure that we are going to be in a, in a position where we are not-- we're not being irresponsible, so to speak. So I'm, I'm continuing to listen. I'm

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learning more about this. And I appreciate the conversation. Thank you, Mr. President.

HANSEN: Thank you, Senator Fredrickson. Senator Kauth, you are recognized to speak.

KAUTH: Thank you, Mr. President. I want to talk a little bit about LB641, which is the complement to Senator Blood's LB38. This is the Social Security bill. And I believe Senator Raybould had a question about the fiscal note earlier today. In 2023, it'll be \$47.6 million, and in 2024, it'll be \$31.8 million. This is actually the culmination of nearly a decade-long process to end the state tax on Social Security. It will allow Nebraskans to claim a reduction of their federally adjusted gross income equal to 100 percent of their Social Security benefits. So starting in 2024, they will be able to not pay tax on their Social Security because that's really a double taxation, and we need to stop doing that to our seniors. Senators have been fighting for this moment since Senator Galen Hadley in 2014. Senator Brett Lindstrom worked very, very hard on this his entire time in the Legislature. This is an acceleration of those efforts that we're able to bring it in 2024. And so I yield my time to Senator Linehan.

HANSEN: Senator Linehan, 3:45.

LINEHAN: Thank you, Mr. President. Thank you, Senator Kauth. So I handed out a chart that I want to spend some time talking about. It looks-- it's gray and white. And at the top in very little print that I need this light to read, it's Nebraska individual income tax returns, adjustments, liability and payments by size of federal adjusted gross income for the tax year 2020 because this is always dated material. But it gives us a feel, I think, for who pays-- what the points I'm trying to make. So if you look at the bottom of the page, there's two lists here. It's the first in the bottom left-hand corner is a percentage of filers between \$75,000 and \$99,999-- \$99,999. And you go where you'll see that's 10 percent of the filers fall onto that range. The next one is \$100,000 to \$199,000, 15 percent of filers. The next one is \$200,000 to almost half a million, 4.353 percent of filers. Between \$500 million [sic-- \$500,000] and \$999,000 is 1 percent of the filers. And over a million is 0.19 percent of the filers. So less than 1 percent of filers earn over a million dollars. So if you go to your right, then it talks about what percentage of the taxes those groups pay. So the 10 percent between \$75,999-- excuse me-- \$75,000 to \$99,999 pay 10.78 percent of the taxes. Between \$100,000 and \$199,000, which is 15 percent of the taxpayers, but they pay 30.72 percent of the taxes, so almost 31 percent of the taxes.

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Then you go down to \$200,000 to \$499,000. You got 4.53 percent. So 4.5 percent of taxpayers pay almost-- well, they pay over 19 percent of the taxes. Then you go down to between half a million 9-- and almost a million, you've got-- sorry. My eyes are not as good as they used to be-- 1 percent of the taxpayers who pay 7.45 percent of the taxes. And there's a typo on here that we just caught. The filer, filers over a million, and that-- the raw-- the number at the bottom of that-- and we're correcting this. We'll hand it out again, waste more trees.

HANSEN: One minute.

LINEHAN: Senator Dorn, I'm sorry. A million paid 12 point-- 12.06 percent. So the number right there at the bottom, 32 percent in the first column total. 32 percent of the taxpayers pay 80.39 percent of the taxes. Again, 32 percent of the filers in Nebraska pay 80.39 percent of our income taxes. And when you're talking about people \$75,000 to \$99,999, I don't think that's rich. I will admit, when you get up to half a million dollars-- I would like to make that a year. That would be-- I would feel very happy with myself. But those two groups, of the rich we're talking about, pay almost 20 percent of the total taxes even though they're less than 2 percent of the population.

HANSEN: That's time, Senator.

LINEHAN: Thank you.

HANSEN: Thank you, Senator Kauth and Senator Linehan. Senator Jacobson, you are recognized to speak.

JACOBSON: Thank you, Mr. President. I guess I want to kind of weigh in on-- first of all, I'm, I'm going to rise in opposition to AM1060-- I'm trying to think. Is that AM1066 or AM1068? Now my glasses are having trouble focusing. So-- AM1068. Thank you. Thank you. I'm opposed to that, to that motion. I-- and amendment. I would be in support of LB754. I am a cosponsor on that bill. I like all the aspects of it. I would tell you that, as Senator Brandt mentioned earlier, I'm also very focused on what we're going to be doing in terms of property tax reductions. That's very important to my constituents and I think really to everyone across the state. But I can tell you that when we start thinking about income taxes, there's one thing better than getting an income tax refund, and that would be not paying your taxes to begin with, OK? So if we don't take it from them to begin with, that's the best thing to happen. And I can tell you that, just as Senator Linehan had mentioned here before, look at who's paying the taxes. Think about who the job creators are. Think

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about the people who can locate in any other state. And as the Governor laid out in this original plan, everyone around us is getting to 3.99 percent or below. In fact, by the time that we get to 3.99 percent, there will be those around us that will be even lower than that. If we're going to remain competitive and get companies to locate here and remain here that are the job creators, we better have a tax environment that is friendly to them. We better also have a property tax environment that is friendly, friendly to our farmers and ranchers and is fair. So we're early in the process. I like a lot of the aspects of things that have been added into this bill. I'm watching the community college piece very closely, and I'm also going to be watching the property tax piece as it gets brought in. Now's the time when I'm going to start digging in more heavily into these revenue bills. But I can tell you I think we've got a good base to begin with, and I think we need to recognize who's paying the taxes, who's creating the jobs. I think that's a big piece of what we're doing. And so that's why I'm supportive of the bill itself and why I would oppose AM1068. And with that, I'm going to yield the remainder of my time to Senator Linehan.

HANSEN: Senator Linehan, 2:28.

LINEHAN: Thank you, Mr. Pres-- thank you, Mr. President. Thank you, Senator Jacobson. So I'm just going to-- I'm going to get more information on this later, but just quickly here: I think we have to remember the number of states that have no income taxes. Two of them border us: South Dakota, which Senator DeKay mentioned because he lives close to South Dakota; Wyoming, which has no income taxes. And I do know Nebraskans who live in Wyoming that used to live in Nebraska. Texas, no income taxes. And Florida-- sunny, beautiful Florida-- no income taxes. Property taxes are about half. Now, they've got also great weather. And because of that weather, they don't-- when you go to Florida-- and I'm sure many of you have been there-- their roads don't have potholes because they don't freeze in snow. So they've got many blessings. But we can't, we can't say we're going to keep our rate at 4.99 percent-- which, let's just be honest, that's 5 percent-- keep our rate at 5 percent and be competitive with states that don't have any prop-- don't have any income taxes and their property taxes are considerably lower. It, it just won't work. And I'm going to go back one more time and then hopefully I'll be off here for a while because I've got to go out in the--

HANSEN: One minute.

LINEHAN: --talk, talk to some people in the lobby. That top rate has to come down. As Senator Jacobson said, if you want to keep job creators, business owners in the state of Nebraska, they are going to look at your top rate, and that's where their decision point is. Blueprint Nebraska said that. The Nebraska Chamber of Commerce is on board with that. The Omaha Chamber, the Lincoln Chamber. Every business group supports that top rate coming down because that's what people look at when they decide where they're going to move or put their businesses. Thank you, Mr. President.

HANSEN: Thank you, Senator Linehan and Senator Jacobson. Senator John Cavanaugh, you are recognized to speak. And this is your third opportunity.

J. CAVANAUGH: Are you sure?

HANSEN: I am absolutely sure.

J. CAVANAUGH: Thank you, Mr. President. I feel like it's only my second time talking on this amendment, but I'll-- I will. Yeah. OK. Thank you. Well, so I handed out the, the chart that Senator Linehan referenced earlier, 20-- 2022 Nebraska tax calculations for individuals. And so what I would-- kind of first wanted to point out is the statute I was referencing was the original 2014 rate, where the top-- we'll go with the top single taxpayer-- was \$27,000. It did go up by statute to \$33,000. So in the last, say, nine years-- actually, it was eight years-- it went up something like \$5,000 with-- I guess the CPI moved up. And we're having a conversation about how to drive, you know, where to target and all these different things you can talk a lot in different directions, who's wealthy, who's not. If you genuinely want to target tax relief to individuals, characterize-- that you want to categorize as middle class-- and you can pick any number you want. You can say \$150,000. What you can do is you could take this chart and you go into the statute and you can say the top tax rate for a indiv-- single taxpayer, the top rate begins not at \$33,000, but we can adjust it to \$100,000. Say anybody over \$100,000 pays the top tax rate. And then you can go to the next tax rate and say below \$100,000 but above, say, \$75,000 pays the next tax rate; and below \$75,000 but above \$50,000 pays the next tax rate. And then no one below \$50,000 pays-- or, pays the lowest tax rate. So you could do that. You could adjust that tax rate and give everybody a tax cut. And the way that would work is it would domino through the tax code, and the people above \$100,000 would still get a tax cut because everybody below them-- the, the income that they had in that range would actually be less. And you could do all that without changing the

marginal rates. And that would still effectively give tax cuts, which has been proposed by myself, by the other Senator Cavanaugh, I think by Senator DeBoer and others, and we've been told it cost too much. So the question is not whether or not we want to target tax relief to middle-class people. The question is, how do we want to give tax cuts to the wealthiest? And so as Senator Linehan pointed out, there's 9,000 in this chart. This is actually-- I don't know if she knows-- this is actually one of my favorite charts she handed out last time. And I kept it and I look at it all the time. So there's 9,387 taxpayers above \$1 million. And so under the bill as written, someone saying that they earned just \$1 million, their graduated income tax reduction would be \$17,272. Under this bill, the person in that same tax bracket now, because we've smashed the two tax brackets together, earning-- we're saying married, filing jointly-- earning \$20,000 would save \$302. So that's \$17,272 versus \$300. Those people are in the same tax bracket under this proposal. Under my, my proposal, under AM1068, that top tax earner making over-- making \$1 million, married, filing jointly, would get a tax reduction of \$7,935. They still get a almost \$8,000 tax reduction, and the individual earning in that second bracket would get \$302 still. So they wouldn't get any more. Those individuals in that middle bracket wouldn't get a bigger tax deduction than they'd get under Senator Linehan's proposal. But the top people making over \$1 million would get a smaller but still almost \$8,000 tax deduction. That's what we're talking about here. The reason that we-- you-- you're conflating this conversation is because we have our tax code structured in such a way that to give middle class tax cuts, you have to give millionaires tax cuts. And if you didn't want to do that, if you wanted to say, let's be reasonable. Let's give middle-class people a tax cut-- which they're clamoring for. I have people in my neighborhood come up to me on the street and say, why are you giving millionaires tax cuts? Why can't we give middle-class people tax cuts? They don't see this as a tax cut for middle-class people. They see it as a tax cut for millionaires because the vast majority of this goes to millionaires. So if you want to have a real conversation about how to give middle class tax cuts, let's talk about how to do that. \$300 million I think is the price tag of this particular section. We could achieve that by adjusting the tax codes. But what we just heard is--

HANSEN: One minute.

J. CAVANAUGH: Thank you, Mr. President. Oh. Well, I pushed my light but I don't have any more times. But what we just heard is people want to reduce the top marginal rate because they want when somebody googles the state for it to be 3.99 percent. And I will tell you, we had this conversation when it had to go below 6 percent because people

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google that and they need it to be below 6 percent. So, again, we're back here again. We're skipping over 4 percent. My proposal is 4.99 percent. We were told when we were moving below 6 percent it had to be just below 6 percent because when people looked at it, they'd see that it was below 6 percent, needed to be below 6 percent. Now we're here saying needs below-- be below 4 percent because when people google it. There are ways to give targeted tax relief to middle-class people that cost the same and actually achieve that without disproportionately favoring extremely wealthy people. So if you want to do that, let's do it. AM1068 is a modest compromise proposal to get us somewhere in between that. Thank you, Mr. President.

HANSEN: Thank you, Senator John Cavanaugh. Senator Albrecht, you are recognized to speak.

ALBRECHT: Thank you, Mr. President. I would like to yield some time to Senator Bostar.

HANSEN: Senator Bostar, 4:55.

BOSTAR: Thank you, Senator Albrecht. So I have received a few questions about the school readiness tax credit portion of the full childcare tax credit package. That was the, the last piece in the, the briefing documents and the one that I didn't have a chance to really get to earlier in the conversation. So I want to just, you know, take a minute to talk about that now and, and really why it's so important. So the school readiness tax credit provides a refundable tax credit to child educators and a nonrefundable tax credit to childcare providers, the, the businesses. And why that's essential is if we, if we look at the poverty rate for early child educators in the state of Nebraska, that's 29.2 percent. 29.2 percent of the individuals working professionally to care for our children live in poverty. Compare that with Nebraska workers in general, which is approximately 10 percent, and K-8 educators, which is 2.6 percent. So there's an extraordinary disparity in the living conditions that our early child educators are currently experiencing. On top of that, the professional turnover among early child educators in the state of Nebraska last year was 40 percent. 40 percent turnover in one year for an entire industry. So I, I believe that that is clearly indicative of the fact that our current system is not working. It's not sustainable. We can't keep doing this. And so what the school readiness tax credit will do is it will provide a direct refundable tax credit to early child educators who are participating-- who, who are working for a program that's participating in the Step Up to Quality Program. And it does so on a tiered basis based on professional classification level. So starting

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with tier one-- so there are five, so there are five-- sorry-- five levels. Starting with level one, the lowest amount that would be eligible is \$2,300. That'd be a \$2,300 refundable tax credit for individuals working to educate Nebraska's children. And that steps up at \$300 increments all the way up to level five, where it becomes \$3,500. So if you are an early child educator in Nebraska and you've got a one in almost three chance of living in poverty, \$3,000 a year is an extraordinary benefit to help ensure that you're able to put food on your family for your own children. And so I think that this is a, a critically important provision in, in the bill. It's a reauthorization. So the school readiness tax credit sunsetted last year. And so this is a reauthorization of that program. And actually, it's a reauthorization with enhanced credit amounts.

HANSEN: One minute.

BOSTAR: Thank you. And so just with the last minute available, the nonrefundable portion that goes to childcare provider businesses is based on the Step Up to Quality rating. So at step one, it's \$400, and then it increases by \$200 with each step up to step five at \$1,200. And so, added together per child, this is what will allow our early childcare providers and businesses to remain viable in the state of Nebraska and to help others open, because we have a tremendous number of gaps in our state where you can't-- you cannot find access to childcare. And even if you can, oftentimes you can't afford it.

HANSEN: That's time, Senator.

BOSTAR: Thank you, Mr. President.

HANSEN: Thank you, Senator Albrecht and Senator Bostar. Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And good afternoon, colleagues. Really appreciate everybody's thoughtful deliberation this afternoon on such an important issue. And I just wanted to rise to continue some of my general thinking in regards to this massive tax package that is before us, and just really wanted to reaffirm some general concerns about overall sustainability in terms of our present and perhaps uncertain economic future and drill a little bit deeper on some of the issues surrounding equity as well and touch just a little bit about some real-life experiences that we have to draw upon in terms of how decision-making is impacted or not impacted in regards to our, our overall tax policy. So the first thing that I just want to clarify for the record and-- and I know my colleagues appreciate and understand

this, but when you look at the statistics and it's-- it's, it's not controversial, it's well-established that low-income working people pay a higher percentage of their, of their income in taxes than those do at the top brackets. Now, there's really, really different numbers in terms of the overall revenue and the overall demographics, but, but that, that piece is, is absol-- absolutely in-- incontrovertible. It is well-established that low-income working folks pay a higher percentage of their, their income in taxes when you look at the overall tax picture and package. So we, we need to be really clear about that. We also need to be clear about our policy goals, which recognize and acknowledge that the best antipoverty tool that we have available, the best family success tool that we have available, the best antirecidivism tool we have available is a good job. So we want to make sure that our tax policy has a thoughtful approach to rewarding work and lessening reliance on public assistance. So I'm concerned that these packages don't do that through proven tools like the earned income tax credit or a broader child tax credit, as has been working on the federal level during the pandemic and as has been adopted by our sister states. I will tell you, walking door to door, and I-- love how we campaign in Nebraska, talking to Democrats, Independents, Republicans and everybody all across the points of the political spectrum. And there was definite dissatisfaction and frustration that with record revenues in recent years, the middle class and low-income working families have been left out. They've been left out in regards to updating, modernizing and making more robust our work support and safety net programs. And they've been left out of the tax equity discussion. Senator DeBoer and others did really heroic work trying to bring more equity to the tax packages in recent years that were turned away by this Legislature. And there was consensus and agreement that we should do more for the middle class and low-income working families. But it just wasn't the right time in the last package. But colleagues, how quickly we forget. And here we are, you know, about a year later with a very similar financial position. And again, low-income working families and the middle class are not seeing the sort of equal, equitable relief in terms of tax relief, and that's something that concerns me. I think the--

HANSEN: One minute.

CONRAD: Thank you, Mr. President-- the acceleration of the Social Security tax relief is something that's important to everybody in all of our districts and is something that will find a great deal of consensus and support across the state and across the political spectrum. So I was very glad to see that introduced and advanced. The last piece I will let you know-- because I was very intrigued by

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Senator Brandt and Senator Linehan's dialogue in regards to our overall approach to corporate tax policy and tax incentives and what happens when we do inevitably hit an economic downturn. And I will tell you, because I've been here through really scary recessions, we don't claw back corporate tax cuts. We don't for a lot of different reasons: political, practical, what have you. And we don't increase our revenue rates. We make deep, deep cuts to education and human services and other core functions of government. So that, that past--

HANSEN: That's time, Senator.

CONRAD: Thank you, Mr. President.

HANSEN: Thank you, Senator Conrad. Senator Briese, you are recognized to speak.

BRIESE: Thank you, Mr. President. And good afternoon again, colleagues. I want to rise again in, again, what I would consider conditional support of LB754, the amended version of it. I want to talk about the early childhood contribution provisions that Senator Bostar has brought to us and has brought to this amendment. He's done a great job in explaining the provisions in there, creating a tax credit for contributions to early childhood programs. And why are those incentives necessary? You know, we talk all the time about growing our state and creating a state or a place where young folks can live, work and raise their families. And growing our state should always drive policy in this body. And how do we grow our state? How do we stimulate economic activity, population growth, employment? You know, there's several factors. We can talk housing, we can talk schools, we can talk edu-- broadband, things of that sort. But I would submit that high-quality early childhood programs are critical to workforce development and to the growth of our state. As we try to attract a skilled workforce to our communities, the presence of quality early childhood is crucial. Young parents want to locate where their children have access to early childhood. If your commeni-- community doesn't have childcare opportunities, families are going to look elsewhere and businesses looking to locate in our state or expand in our state understand the importance of early childcare, early childhood to their company's success. They realize it'll be easier to attract employees to those communities when childcare is available, and businesses believe that the foundation established in a quality early childhare-- childcare environment enables a young person to enter the workforce with a wider array of marketable skills. And I would submit that access to early childcare truly is one of the keys to growing our state. And so I certainly support Senator Bostar's

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efforts in that regard. And again, I support LB754 with the committee amendment. I oppose AM1068. And with that, I'd like to yield the balance of my time to Senator von Gillern. Thank you, Mr. President. Senator von Gillern.

HANSEN: 2:42.

von GILLERN: Thank you, Senator Briese. I just have a couple of quick comments to make. Again, I just want to reiterate a couple things. First of all, just the fact that this, this package really has something in it for just about every tax demographic. And I think if you study it closely, you'll see that and you'll realize that. So it was, it was not blindly developed with an intent to benefit only the top taxpayers. That's not the point at all. And, and again, if you, if you run the numbers, I think you'll see that that is the case. Senator Bostar's bill and Senator Blood's bill are very specifically targeted to, to demographics that don't benefit from that tax cut that's being-- or, the-- that's being-- the AM1068 that Senator Cavanaugh has proposed. So that's first of all. And then second of all, I just want to echo something that Senator Linehan said, and that is that 32 percent of all-- or, 32 percent of taxpayers pay 80.39 percent of the income taxes. So it, it's hard to say that we're going to do a tax cut and then say we're not going to give the money back to the people or give the deductions back to people who pay the taxes. That's just how it works mathematically. Anything other than-- doing anything other than that is nothing but a wealth redistribution, and that's not the business that we're in here. Lastly, I just want to recognize-- I, I must be having a rough day today. Twice today I've made a speech in where I've told people that it's, it's not beyond me to make a mistake. But when I do, I own it. And I said earlier that OpenSky had not responded to an information request that I had made to them in a hearing. In the friendly-- in a friendly way, pointed out to me that they had. I went back and dug that out of an email and found that they did indeed reply to it. It, it wasn't exactly what I was looking for--

HANSEN: One minute.

von GILLERN: --but it was a response to my request, and I want to make sure I own that and thank them for responding to that. Thank you for your time.

HANSEN: Thank you, Senator Briese and Senator von Gillern. Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Good late afternoon, colleagues. I rise in very lukewarm support of AM1068 and hesitation to AM1063. Here's my hesitation. I, just like everyone else here, want to cut taxes and I appreciate the opportunity to do that when we have this massive influx of revenue. I am concerned over the overcorrection and cutting them too severely too quickly. I would like to see us doing something that's a little bit more stairstepped so that we can adjust as needed if we level out to a tax bracket that we find is more appropriate, making such a significant cut so quickly when we are in the middle of a very economically flexible time, considering the influx of federal dollars we have into the state. There are states around us that do not have income tax, but they tax food. If we are going to go down that road, I think then we should-- the more appropriate conversation would be around the consumption tax bill of Senator Erdman's. I don't see him at the moment, but I voted for that last year. And Senator Erdman, it, it cost me a pretty penny of opposition in my reelection campaign. But I did vote for the consumption tax because it is a reallocation of wealth and it does give a monthly stipend to individuals of a certain income tax bracket when we, when we tax everything and remove all the loopholes. Senator Conrad was talking about tax incentives. In Omaha, we did everything we could to keep Conagra. We even tore down historic buildings in 1989 and-- or may-- I can't read my handwriting. It was '89 or '84. I'll have to get back on that. But we-- and then again, we tried to keep them and we tried to keep them, but they moved to Chicago where the tax rate was higher but the culture was more welcoming. So it doesn't matter what we do. We're not going to keep these corporations here if we don't have a welcoming culture. I'd like to yield the remainder of my time to Senator Dungan.

HANSEN: Senaator Dungan, 2:28.

DUNGAN: Thank you, Mr. President. Thank you, Senator Cavanaugh. Colleagues, I, I just-- I'm going to continue more of this conversation when I actually have my full time. But we've heard a lot of conversation-- I think this is bouncing off of what Senator Cavanaugh just started talking about-- about creating a better environment wherein people are going to move here. One of the things we heard over and over again in the committee hearing was that if we lower our corporate and income taxes, it will make it a place that people come. And I think that-- first of all, when I asked questions about this of people in the committee whether they can show me data or not to prove that point, the answer was no. And there's a lot of anecdotes people have talked about of, oh, well, this corporation told me they might be able to come here if this, this and that. But when

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pressed, I, I'm pretty sure that the answer I got in the committee hearing was that no specific corporation has told anybody, yes, I will move here as a business if you reduce your corporate income tax. Nor do I believe anybody said specifically that they knew any personal person who would move here because of that. And this isn't just hypothesis. The next time I get up on the mike, I'm going to talk more about this. But there have been academic studies done time and time again that have demonstrated the reason for people moving to a state is not because of taxes, generally speaking. I think the, the relevant part of a lot of these studies is that 69 percent of people live in the state that they were born in. So almost 70 percent of people still live in the state that they were born in. 1.5 percent--

HANSEN: One minute.

DUNGAN: Thank you, Mr. President-- 1.5 percent to 2 percent of individuals move to a new state each year. So only 1.5 percent to 2 percent of people move to a new state. Of that 1.5 percent of people or 2 percent of people, over half of them cite family or job transfer or new jobs. They actually take into account taxes as something somebody can mark on there, and it is under the majority of the 1.5 percent. I'm going to talk more about that. But I think it's important to note that this idea that people move to or from a state because of their tax structure, while it sounds good, is not supported by the numbers. It's not supported by the institutions that have looked into this. And I think that if we're going to be making arguments of what our entire tax structure should be, we should be doing it based on data and information. Thank you, Mr. President.

HANSEN: Thank you, Senator Machaela Cavanaugh and Senator Dungan. Senator McKinney, you are recognized to speak.

McKINNEY: Thank you, Mr. President. I don't support none of that that's up there right now, and I'll just leave it there. But this year has been an eyeopener, and I really can't say that I'm surprised. I just blame myself for being optimistic. Now others insinuate they speak for my community like I don't know my community is diverse and includes trans youth and adults. The project that you mentioned would get a chance of getting funding and support from the state. But if LB531 dies and we don't get no more money, that won't be an option. Last week when I was expressing my frustrations on the mike, senators that were leading the filibuster were seen laughing, staff were in group chats saying I don't represent my community. Yes, I've seen them, all because I chose to speak up for my community. I'm honestly not open to waiting, nor will I bite my tongue about my concerns. And

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contrary to popular, popular belief and to make it plain: I am disappointed and upset with both sides. And last year, many people doubled down on a Holocaust bill to pull out an amendment that would require teaching slavery and about genocides of Native Americans because they felt like it was important to take it out because the bill needed to pass. And everybody was OK with it. And I had to walk in here and act like that was normal. That's my issue. Was slavery not important or genocides of Native Americans not important? Last year, we could have had criminal justice, some changes pass, but didn't nobody really want to do nothing because people stuck to their egos. This year, we probably won't get any criminal justice reform, but a lot of people will vote to build a \$300 million-plus prison. But I'm supposed to be OK with that too and we supposed to wait and be OK. OK. That's cool. Should we be OK with that? Because this-- these zero-sum games from either side have never benefited my community. Because if it did, my community wouldn't be the poorest economically, wouldn't have the poorest educational outcomes, wouldn't have the lowest life expectancy. None of those things would be a thing if this state or this body or these people-- and I don't care about your side or your political affiliations-- really care. And that's just being plain and, and true. And if all these strategies fail and these bills don't advance, what should I tell my community? Wait. We tried. We tried. But, you know. Yeah, we just got to wait again and we'll try again next year. And that's why people in my community don't care about the process. That's why they feel hopeless. That's why they don't engage because empty promises after empty promise and we're told to wait and wait and wait, but-- and sit on the side. That is the problem. And the trans bill is horrible. It's completely horrible. I don't think it should pass. I wish it never got introduced. It's horrible. But-- like you guys say "but" all the time. But wait. But there's a bill that would end hair-- like, it, it would address issues of teachers cutting students' hairs-- hair in school; kids being able to operate freely in school with braids. My daughter wears braids almost all the time. So if my daughter gets discriminated against again this year, I am just going to tell her, hey, Sana'a, you know, your dad tried to introduce a bill to get it passed. But, you know, we had to wait again. So--

HANSEN: One minute.

McKINNEY: --I'm, I'm sorry you got discriminated against, but Dad will keep trying. And that is my problem. You keep telling black people to, wait, we're going to help you. And when it's time to help, the political will isn't there. Thank you.

HANSEN: Thank you, Senator McKinney. Mr. Clerk for items.

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CLERK: Mr. President, announcement. The Natural Resources Committee will hold an Executive Session under the north balcony at 5:00 p.m. Natural Resources, Exec Session under the north balcony at 5:00. Additionally, Mr. President, priority motion: Senator Wayne would move to bracket the bill until March 30, 2023.

HANSEN: Senator Wayne, you are recognized to open on your motion.

WAYNE: Thank you, Mr. President. We have to compare notes before we go back to back, Senator McKinney, because I kind of am on the same lines. And this is for those who watched me drive back to the middle of an evening yesterday to vote, those who I have literally taken shots for over and over. My analysis of where we are this session-- and I haven't spoke a whole lot. I have not participated in a whole lot of filibusters, because when I jump in, we won't even get to the agenda. There are so many things I can file that start preagenda that we won't even get there. And some of you may have seen that happen a couple times where we slowed things down completely. Not just slowed it down, we actually stopped everything in this floor for approximately four days of full debate. This is not hard to do. But I see on one side we have people who are ready to lower income taxes for the rich. And on the other side, we have people using-- instead of using our surplus to help out investments in our poor. I see on one side we have proposals that will put a billion dollars into education but leave very little for the larger school districts and those who have the highest poverty. I see on another side that we are willing to burn this place down and disenfranchise many others in other communities and maybe stop bills that'll last-- that are here just once in a lifetime, transformational bills. I've seen this year that we decided to put profits over people again. The irony in all of that is I've been on both sides of many of those things. Yet this year, what's interesting to me is I've asked many people for commitments to north Omaha. And I get nothing for the last-- I got nothing for the last-- well, I'll take that back. Now I got two things. I got nice racism and excuses. See, first, I want to remind people that that was mainly ARPA dollars that went to north Omaha. This state did not invest hardly anything to my community. Out of a billion dollars last year, we only invested \$85 million to east Omaha. And what I mean by nice racism is we always get told to wait, as Senator McKinney just said. In the Education hearing-- or, Exec today. Many of us recognize that the issue of funding is around poverty, that OPS is capped at 30 percent, the same as Lincoln, the same as the rest of the school districts that are equalized. But removing that cap, we're told to-- let's wait next year. So we're going to put a billion dollars into education, but the students we know who need the most help, those who

are in poverty, we're making no adjustments to. The ironic thing is is for three years, we've invested in income tax relief and property tax relief-- property tax relief of over a billion dollars since I've been here. But not once have I heard the argument that I hear every time this year when I talk about north Omaha: didn't we already put money in there? Do we have to make an-- another investment? We don't have to. We already put \$200 million in last year. We put a billion dollars in property tax relief. But not one person has said that when it comes to property tax relief and income tax relief. But when it comes to this community, we say, yes, we already did that. And the most ironic thing about property tax relief in this whole debate is the state collects zero. We don't collect any property tax. And I challenge anybody to get on the mike and tell me we do as a state. But yet the state is putting out a billion dollars and we're going to put out another \$300 million to 400 million. But when we ask to-- can we get \$100 million this year for north Omaha, the answer is no. Senator Linehan just got up and said there's \$3 billion in surplus. Do you know how much has been committed to north Omaha? Zero. One of our most impoverished areas. Zero. The money that was in the preliminary budget, that was federal dollars from last year. There was no more money allocated to north Omaha. Out of \$3 billion. They pay taxes every year, and they're getting zero on their return right now. But we're OK with that. So maybe I'm going to be the one-man crew of burn it down for a different reason going forward. And my filibusters are different. We take a lot of votes when I filibuster. We have a lot of amendments. I don't do the-- the bracket and pull and those kind of things all day. We take votes that I'm going to make everybody vote on so I have a record of you saying you don't care. At some point, you can't ask me to commit to anything else when you're not willing to commit to my community. \$569 million for a canal. I believe water is important, but that water is going to the Third District and maybe the First District on a good day. The Second, we get our water from the Missouri. Where's the balance of what's going to Omaha? Want to talk about tax packages? There is a bill in this package that says if you buy a piece of equipment-- first of all, if you buy it and you're in the incentive program, you're not paying sales tax on it anyway because it's an input. But not only that, we're going to speed up the depreciation so you can count it all in one year at a tune of \$40 million. Do you know what we could do with \$40 million when it comes to PTSD with children who are involved in violence? We can change outcomes. That corporation is going to get the same tax writeoff that it got from the incentive program. And now we're going to speed up their deductions so they can get more money to free up more capital, making the rich richer. There's no requirement in the bill that they

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reinvest, that they grow jobs. And this billion dollars for education, that's the second Cash Reserve. Let's be honest. You have to look no further than the Water Trust Fund where we actually put a limit so that you can't just vote it out with 25. You need at least 30. If you're serious about that, have that amendment to say you got to have at least 33. I've sat here and I do this every year and watch how we operate. And every year, I've got to get up around the same time and say I'm off of everything. It sucks being the 33rd, especially when your friend goes regular order like he did last night. But the 33rd means if you're not going to deal with me, don't ask me to be the 33rd. And I don't mean just deal with me on one-on-one. I mean, bring people to the table who are also going to support the change that we're trying to make.

HANSEN: One minute.

WAYNE: The zero-sum game doesn't work. It hasn't worked down here. And people want to invoke Senator Chambers. There's many days Senator Chambers left many bills go through. And what we didn't do and what I've never done is went after allies. We may talk on the mike and get back and forth at each other. That's fine. But I'm not going to file kill motions. And if I did, I apologize. Show me where I did, we're good. That's just not how I operate. I don't like the bill. Don't care for the amendment. Yielded time during the filibuster. But I'm not going to sit here and have \$2 billion go to rural Nebraska and my community get left behind again. I don't think that's unreasonable.

HANSEN: Senator Wayne, you're on your next opportunity to speak.

WAYNE: It's not unreasonable to say, out of \$3 billion, you can't figure out \$300 million for literally over 200,000 people in east Omaha. We're spending \$20 million on towns and villages that have \$500 million for water, reverse osm-- I'm fine with that. I'm just asking for the same respect for our community. So when this body is ready to have a real conversation about moving things forward, I'm here to talk. I'm here to figure out a game plan. But if I can't get the commitments for my community, I'm not getting-- I'm not committing to you guys. So I know what's going to happen going forward. We're going to figure out how to change the rules. We're going to do more rules change. That's what happens. You can change all the rules you want. You can add all the amendments you want. But if the majority can't figure out how to make sure some of our minority-- and I don't mean color-- gets wins for their community-- yeah, I'm not going to say what I was just going to say. Unlike the Judiciary hearing, I don't want kids researching what I was about to say there. [LAUGH] We got to

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stop being selfish. We got to stop being selfish as a body. We got to stop being selfish as individuals. And we got to figure out how to make this work for the entire state. And right now, I don't see that. DeKay, I want to support your water project. Holdcroft, I'm looking at-- figure out a way to get you money for your project. I'm asking, who's doing the same for us? Because right now it's a one-way street and I'm getting ready to pull off on the side of the road and let you guys go on your own. Thank you, Mr. President.

HANSEN: Thank you, Senator Wayne. Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. I wanted to talk about some of the inequities in LB754. And I don't mean to be a Debbie Downer about the economy. I know the sky is not falling. However, I'm a very cautious businessperson. And, you know, I wanted to-- I want to focus on the corporate income tax cuts, but I also want to focus on the child tax credits, childcare tax credits. If we want to do something really transformative and really attract new businesses and retain our families, then it has to be a greater, more substantial childcare tax credit. We know from the Nebraska Chamber of Commerce that they list that as number three of their pressing items on how to really grow our Nebraska economy. And I just want to point out just a few statistics about corporations. Because of the way Nebraska taxes corporate income-- it's called single sales factor apportionment-- corporations doing business in the state only pay taxes on the portion of sales made in the state. So a corporation which owes taxes in Nebraska pays the same amount whether they're headquartered in the state or not. So this challenges the notion that a corporate tax cut will encourage more businesses to relocate to the state. There's a lot of factors that substantiate that. Both the Congressional Budget Office and economist Mark Zandi, co-founder of Moody's Analytics, have found that corporate income tax cuts are not as an effective way of stimulating the economy. And, you know, in this bill, if we give out corporate income taxes, you know, what are some of the benchmarks they're striving to achieve? What's, what's going to be the job growth they're committed to? What's the wage growth they're committed to doing? What else are they going to bring to the table to help grow our economy? Congressional Budget Office wrote that the increasing the after-tax income of businesses typically does not create much incentive for them to hire more workers in order to produce more, because production depends principally on their ability to sell their products. Zandi with Moody's also found that during the Great Recession, cuts to the corporate income tax rate for the businesses, the largest corporations in the United States of \$1.7 trillion, created just \$0.32, \$0.32 in

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economic activity for every dollar spent. However, as an economic multiplier, he found that spending on SNAP-- that's Supplemental Nutrition Assistance Program-- food stamps, had an economic multiplier of \$1.71, and extensions to unemployment insurance had an economic multiplier of \$1.55. You know, this is what companies look for when they make that decision to relocate their business. They focus on-- and this is from Site Selection magazine. It says companies are more concerned with skill availability, transportation, infrastructure and other factors than with state taxes. You know what? One of the biggest downfalls in our state of Nebraska right now, it says labor scarcity is also an issue in Nebraska and remains one of the economy's biggest challenges in 2023. Nebraska had 64,000 job openings as of October 2022 and was among the highest in the nation, highest in the nation, in the ratio of jobs available per unemployed person at 2.5 percent-- at 2.5. I'm sorry, 2.5.

HANSEN: One minute.

RAYBOULD: Thank you, Mr. President. That's from the Federal Reserve Bank of Kansas and their economic forecasting. Nationally, inflation is expected to slow in Nebraska in 2023, but GDP growth is expected to be less than 1 percent. That's not a lot of economic growth. And higher unemployment is expected. And we have seen higher employment-- unemployment because of the higher interest rates. So we're basing these projections on a \$24 billion in federal stimulus received from the government. That's not a really good way of doing forecasting in the future. You know, it's skill availability that corporations look for. If revenue losses created by income tax cuts would, however, hinder investments, we need investments in infrastructure, schools, public safety and other services businesses care about. It's going to have an impact because that's--

ARCH: Time, Senator.

RAYBOULD: Thank you, Mr. President.

ARCH: Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. I said this this morning in a briefing. I don't think I've said it on the floor. And if I had, I'm sorry. I'm going to say it again. I got here in 2017. You've all heard we didn't have any money, so we actually took back some of the increases we've made the year before. They were painful. We got hate mail over it, but they weren't-- I mean, people say cuts and sometimes made-- they're really cuts. But generally what that is is you don't

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increase as much as you thought you were going to increase. So we did do that. I also know that there was a lot of effort between the Governor's Office and the Appropriations Committee goes around and shake all the cushions, as Chairman Stinner said, to find all the change because there are a lot of cash accounts that build up in the good times. Lots of them. That-- so what-- the reality is we didn't have to cut. People were made whole except maybe a few increases. I think university got a little, maybe a half percent or percent cut from the increase before. They still got more than the money before-- year before. It took a little bit. So that was our first year. So that kind of-- it's definitely framed Chairman Stinner's mind. So the next year, things were a little better. So now we're in 2018 and we thought-- or, looking at 2019. We thought, OK, we can spend some money. We can do some things. But then we had the flooding and everybody thought, oh, the world's going to end. We can't spend any money. And we didn't cut any taxes. And then the next year, when we're working on the budget, we thought, OK, now we're, we're there. We got some money. We're not broke. Revenues are looking good. But then we had COVID and we all went home. And then we came back still during COVID, but things were still locked down. We all said the economy was going to go to the devil, and we didn't spend any money. So, yes, did the stimulus money from the COVID funds help? Yes. But that is not the only reason we have a lot of money. We have a lot of money because we didn't spend it. And again, as long as we keep our spending below our revenues, we will be fine. And all of these budgets, whether it's the Governor's budget or I'm sure what the Appropriations will bring to the floor, they will have spending below what our revenue projections are. And our revenue-- revenues have been way above projections for the last two years, if not three years. But we're not-- I think one year, they were at 12 percent, another year, they were up 12 percent. Another year, it was up 8 percent. And those might be low. There were significant increases in revenue. But we have not decided now that we're going to use 8 percent as our new revenue growth. I think the projections are at 3.5 percent. And frankly, we've changed that every year to be more conservative. When I got here, I was told six years ago, seven years ago, oh, we use 3.5 percent every year because that's the 30-year average and that's what we use and we have to use 3.5 percent. Then the next year, it was a little less than that because, well, maybe we shouldn't be looking at 30 years. We can argue whether you think LB754 is the right way or Senator Cavanaugh's is the right way or Senator DeBoer is going to have maybe something this evening, whether it's the right way to do it. But what is just not believable is to say that somehow we're concerned about whether this is sustainable. I would bet that when we get to the school funding bill--

ARCH: One minute.

LINEHAN: --and we're going to spend \$300 million more every year on public school funding, that the same people who seem to be very concerned about the sustainability of the tax cuts aren't going to be at all concerned about \$300 million in new spending for public education. Thank you, Mr. President.

ARCH: Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. And thank you again, colleagues. Just to very briefly respond to Senator Linehan-- and I, I completely agree that there's a lot of different ways that this can be done and a lot of different ways that this can be achieved. And that's, I think, what Senator Cavanaugh, John Cavanaugh's bill here is seeking to do. It's seeking to accomplish a tax reduction while still having that desire to be forward-thinking and just be cautious. As somebody who is an advocate for public education, I am concerned about the large amount of spending, not because I don't think it's the right way to handle things, but because, as I started to say early on, an increase in expenditure with a decrease in revenue just has me concerned. And so I do believe we should as a state be providing more money to our public schools, but I also want to make sure that that's balanced in such a way that it's sustainable moving forward. But going back to what I was saying previously: again, the studies have shown time and time again-- and I think this is important to note-- that the tax reduction doesn't necessarily have a direct effect or any kind of causal effect and, in a lot of circumstances, not even a correlative effect between people or companies moving to or from states. As I was saying, 6-- 70 percent-ish, 69 percent of people still reside in the state they were born in. Only 1.5 percent or 2 percent of people move every year, and a majority of those cite reasons other than taxes. And so I think it's just not accurate to say that if we reduce our taxes to stay competitive or that-- the intent, rather, is to stay competitive to attract more people here. There are countless other states that have reduced their income tax, and there are other states that actually have no income tax who have consistently reported out-migration to states that still have an income tax. A good example of this is Florida. We keep hearing about Florida and their lack of income tax. The state of Florida, which has no income tax, more households have moved from Florida to Georgia, North Carolina and nine other states combined in the last-- I think it was 10 years or so-- than states from tho-- than people from those states have moved to Florida. There are more people leaving no income tax Florida to then go to other states that do have an income tax than are coming from

those states into Florida. In addition to that, nearly an equivalent amount, equivalent amount of people have moved to Arizona, which has income tax, as have moved to Texas, between the two states, which doesn't have an income tax. They've essentially swapped population between 1993 and 2011. And so any argument that we're making that this reduced income tax, we need to be at 3.9 percent or else people aren't going to move here, I just-- I don't think the numbers support that. And I would welcome, genuinely welcome somebody to get up here and show me studies that do prove that. I think there are some that have shown that there's a slight effect from time to time. But what I've also found in my research and studying is that the folks who do move from one state with a higher income tax to one with a lower income tax tend to be low- and moderate-income households. So you're seeing an out-migration of folks who don't make a lot of money. And so, again, the idea that a reduction in the income tax significantly is going to result in these high-income earners coming into the state and sort of helping with their wealth or trickling down of the economy I just-- it's not supported by that number. We talked a lot about the income tax rates-- and I just want to make sure too that people understand-- and I, I think all of my colleagues know this, but I would be remiss if I didn't mention it-- it's that you're, you're taxed on whatever part of your income falls into that bracket. So that's what we're talking about when we say that a lot of this goes to high-income earners. It's, it's relative to how much you earn. So a reduction on the top bracket has the largest proportional effect on those who are making large amounts of money because the reduction goes to a larger percentage of their income. And I just think that's vital that we understand and--

ARCH: One minute.

DUNGAN: --a reduction in the lower brackets-- thank you, Mr. President-- a reduction in the lower brackets does benefit those in the top bracket as well, because part of their income comes from those low brackets. But the people on the lower end of the income don't get the benefit in the top bracket. So I just think that's, that's vital to understand. It's, it's percentage of income that goes towards taxes. It's relative to how much you make. In addition to that-- and I'll talk about this the next time on the mike-- I think it's valid to have concerns about the future. I understand that we have a lot of money right now, but to say that we are completely fine moving forward, I just, I, I just don't necessarily believe that this-- at this time, if we adopt all of the things we're talking about here. And that's based on numbers and data. And if we can change, according to

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John Cavanaugh's bill, that 3.99 percent to 4.99 percent on the top bracket, it can save the state \$350-ish million. And 350--

ARCH: Time, Senator.

DUNGAN: Thank you, Mr. President.

ARCH: Senator Murman, you are recognized to speak.

MURMAN: Thank you, Mr. Speaker. Again, I rise in qualified support of LB754 with the Revenue amendment. I think if everything goes together as a total package, it'd be great for the state of Nebraska, great for taxpayers, great for our citizens. It'll stimulate the economy, keep as much hard-earned money with the, the taxpayers as, as, as-- the people that work as, as possible. So I, I do support it if we get the property tax proportion done with it. But I do want to explain on the childcare tax credit bill, LB318, I was a present, not voting on that portion of the amendment. And the reason I am present, not voting, I do realize we need childcare infrastructure in the state because of our lack of labor force in the state. We do need that. There's many young families that do need help with their kids that do go to childcare. But my concern is with this, with this bill, LB318, it does give a, a credit to poverty-level families, and I totally agree with that. If you're at the poverty level or if you're a single parent, you definitely need the childcare. And I do support that. And then also-- and I, I'm OK with this-- that it gives credit for families that have their kids in childcare, up to \$150,000. So I think that's pretty generous, actually. But my concern is those families that are between poverty level and that \$150,000 that do choose to stay home and take care of their, their children while they're young. They do not get any tax credit. So I, I have talked to Senator Bostar, and I know he's researching if that would be possible, what it would cost and those kinds of things. So I'm very interested in, in what we can learn there. But those families that do stay home and have, have the option to stay home and take care of their children while they're very young, they sacrifice so much by being out of the workforce. And I think it's ben-- so beneficial to, to families and even our society to, you know, stay home and, and take care of your, your children while they're very young, while they're zero to age five. And like I said, I know not everybody has the ability to do that. And this bill does address those that don't have the ability, wherewithal to do that, but I don't want to incentivize childcare ahead of being able to-- choosing to stay home with your young children. So I didn't vote against it. And I totally support the bill. And I do think there is better ways of

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addressing our workforce shortage, and it's not so much anything we can do from the state level but--

ARCH: One minute.

MURMAN: --if-- thank you-- if we could control our-- our southern border and properly vet those coming in and-- I know the vast majority of those people that are wanting to come to the United States are totally supportive of, of our way of life and are, are hardworking. And if we could just allow them to more easily gain citizenship or the ability to work here, that would go a long way to address our workforce shortage. Thank you, Mr. Speaker.

ARCH: Senator Jacobson, you are recognized to speak.

JACOBSON: Thank you, Mr. President. I just want to kind of reiterate a couple of things that have been said here before and, and maybe just need to bring back again. First of all, we need to remember that, when it comes to corporations locating here or moving here, we need to remember that corporations are run by people. It's people that make the decisions for these corporations as to where they're going to locate. And they do, I can assure you, look at the corporate and the individual tax rates when they make those decisions. There's no question about that. I would also tell you that there is one company that gets referred to that moved from Nebraska that moved to Chicago. OK. Where did the new CEO live at the time that he became the new CEO of that company? He lived in Chicago. So he decided he didn't want to move, and that played a big role in where that company ultimately located. OK. I will assure you that taxes play a huge role in these decisions. So keep that in mind when you start thinking about what we're doing with the greatest job creators. They're looking for people to come here that have a great work ethic. And at least today, Nebraska still has a great reputation for people with a great work ethic. I can tell you the Walmart food distribution center that's located in North Platte is one of the best and-- if not the best-performing distribution center across this country. And the reason it's such a great performer is because of the work ethic, the work ethic of the employees that they can hire here. I hope we can hold that quality work ethic. I've heard a lot said earlier today about values of the people here in Nebraska. Well, I can tell you values do matter. And I can tell you in rural Nebraska, there are strong values that include work ethic, that includes religious values, that include fairness. People do have great values in this state, and that's what holds a lot of companies here and what attracts them here because the efficiencies and the productivity that they can get out of

workers here in Nebraska. But I will tell you that tax rates do matter. Don't think that they don't. And I can also tell you, if you need to focus on who do we want to attract here and who do we want to hold here, I can think of a number of people that were getting close to the point where they were going to close their business, sell their business and retire. You can usually-- one of the key ways to figure out when a major company is going to retire-- going to sell his business if it's personally owned, it's when they establish residency in Florida. Two years ahead of time, they gave you the signal. They establish residency in Florida. Two years later, boom. Company sold. Any inheritance taxes paid in Nebraska? Nope. Because if you think about it, the taxes that they would have paid here in Nebraska bought them a very, very nice home in Florida for free. That's why taxes matter. We can sit here and pretend it doesn't. But I can tell you, as a businessman, it does. I can tell you that my customers look at that. No question about it. We can play with statistics. We can play with numbers. You bring me a situation on something that was reverse of that, dig a little deeper and you'll find out other reasons why the decision was made. But trust me, taxes do matter. And I would yield any time to Senator Linehan if you want it. Otherwise, I am prepared to yield my time to the Chair. I'm going to yield it back to the Chair. Thank you.

ARCH: Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Oh, I wasn't expecting that. We're on a bracket motion now. Well, that might be true that Conagra moved because the person wanted to be closer or wanted to be in Chicago, but that is quite the leap to make to move the entire corporate headquarters and 1,500 jobs and uproot your executives. I know some of the executives that were working for Conagra at that time, and they had to make a choice about relocating their entire families to maintain their jobs, and they chose not to, actually. They chose to stay in Nebraska, the individuals-- the individuals that I know. So-- but perhaps Senator Jacobson knows the CEO of Conagra personally and can attest to that they left because of that reason alone, not what was widely reported. Childcare. Now this is a bit of a-- I don't even know-- conundrum, needs a little unwinding, perhaps. We have a workforce shortage and we have-- even though we have a, a very low unemployment rate, we have a lot of people that are in the workforce. Couple of years ago, the statistics were something like 78 percent of families had parents in the workforce, had both-- two-parent households were in the workforce. And so we've got parents working, but they still can't meet the financial needs of their family. So the childcare subsidy, which is very restrictive for only low-income families, is a way to help

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families stay in the workforce because of a workforce shortage. And to all you working parents out there or soon-to-be-working parents out there, there is nothing wrong with working. There is nothing wrong with taking your kids to a childcare that you feel strongly and safe about and working and providing for your family. That is a good thing. And if you also get fulfillment and joy from doing that work, all the better. Good for you. If you can't afford to work because of childcare but you enjoy working and you want to contribute to our economy and this childcare subsidy helps you do that, well, that's wonderful too. I am a working parent, two-parent household. Both of us work. One of us doesn't really bring in much of an income. It-- actually, my income is not even enough to cover the cost of childcare. And my income, coupled with my partner's income, makes us just barely ineligible for childcare subsidies. So we have to figure it out. And it is a struggle. But I love what I do. Sometimes I hate what I do, but I love what I do. I love the privilege and the honor and, and the--

ARCH: One minute.

M. CAVANAUGH: --amazing opportunity to do this job. And I love my children dearly, ferociously. I am sad to not be putting them to bed at night this week. I was grateful for the snuggles this morning. We had some good snuggle time this morning. And I just, I just really want working parents to know that that is OK. That is a good thing. I am sorry. I am sorry that people in your Legislature find it appropriate to place value judgments on your lifestyle, value judgments on you as a parent for prioritizing both your family and your interests and supporting those together. That's not appropriate. Thank you.

ARCH: Time, Senator. Senators, the Legislature will now stand at ease until 6:00. The next three speakers when we return at 6:00 in the queue are Senator John Cavanaugh, Senator Vargas and Senator Raybould. We are standing at ease.

[EASE]

HANSEN: The Legislature will now resume. Senator John Cavanaugh, you are recognized to speak and first in the queue.

J. CAVANAUGH: Thank you, Mr. President. So, colleagues and folks watching at home-- I guess I should figure out which camera I talk to. My son last night when I wished him a happy birthday on the camera, he told me I didn't look him in the eyes when I said it. He did appreciate it, though. It was very cute. But I, I think that's my

camera. But so-- if you're watching at home, there's-- the room's a little empty right now. We just took a break for dinner. We're going late nights, and so we stop for about a half hour to eat and folks are just coming back in. So for the benefit of those who are here and people watching at home, just to refresh, we are on the bigger tax package out of the Appropriations Committee and we are discussing specifically the adjustment to the personal income tax and corporate income tax, which the underlying amendment lowers both to 3.99 percent for the top-- for the corporate tax cuts-- tax rates and lowers the top and second highest marginal tax rate for individuals to 3.99 percent. So what my amendment does is lowers the corporate above \$100,000 to 4.99 percent and below \$100,000 to 3.99 percent. So a more modest decrease. And then the individual income tax-- this is what I wanted to talk about. So I handed out to our colleagues here a 2022 Nebraska tax calculation schedule. And so we will just pick one. And we'll do married taxpayers filing jointly. If you earn between \$0 and \$6,860 of taxable income-- so it's after deductions-- you would pay a tax rate of 2.46 percent on the income that is taxable in that range. And then if you are in between 6.0-- \$6,860 and \$41,190, you would pay a tax rate of 3.51 percent on the tax between those two amounts, and you'd pay the 2.46 percent on the amount below \$6,860. And then if you are in between \$41,140 and \$66,000, you would pay 5.01 percent. And this is where we're getting to the part that is affected by these two bills. So in my amendment, that 5.01 percent would go down to 3.99 percent for the income between \$41,190 and \$66,360. If you-- so that's the same for my amendment and the underlying bill. However, if you earn above \$66,360, currently, anything you earn above \$66,360, you pay 6.84 percent income tax. Under the bill we passed last year, that will go down to 5.84 percent. And under this bill, that decrease to 5.84 percent accelerates and is implemented by next year. What my bill does is then continue that decrease from 5.84 percent down to 4.99 percent. And so for anything over \$66,360, the taxable income or-- in taxable income, the tax rate-- marginal tax rate for that amount is 4.99 percent under my amendment. Under the underlying bill, for anything over \$66,360, the income tax rate would be 3.99 percent. So that is ultimately really what we're talking about here, is a 1 percent difference on those top marginal income earners. And so that is for individuals married, filing jointly, earning \$66,300-- and, say, \$61. And it would also apply to individuals earning \$1 million a year. So they are-- those individuals pay the same income tax rate on their top marginal rate. We treat them the same. Under the underlying bill that we would treat individuals married, filing jointly, earning \$41,191--

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HANSEN: One minute.

J. CAVANAUGH: --thank you, Mr. President-- if you earn \$41,191, under the underlying bill, you would be taxed your marginal tax rate. Top marginal tax rate would be the exact same as somebody earning \$1 million. So my proposal keeps those two tax rate brackets separate, lowers that, that one to 3.99 percent and then lowers the top one down to 4.99 percent. Now, remember, it's at 6.84 percent right now. We're lowering it to 4.99 percent. That's 1.85 percent less than it is now. It is 0.85 percent less than where the, the current statute is going to take it in a few years. And it will continue to go down to 5.84 percent this year. So that's what this amendment does. That's what I'm attempting to do. This is a more responsible way, a more graduated way to make a pretty substantial decrease in personal and corporate income tax in the state of Nebraska. Thank you, Mr. President.

HANSEN: Thank you, Senator John Cavanaugh. Senator Vargas, you are recognized to speak. Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. You know, I do recognize that our state has given out corporate income taxes. We have cut taxes and-- but, you know, when-- if we want to listen to our fellow Nebraskans, here's a recent poll that was done by the Holland Institute back in February. They-- the public overwhelmingly supports raising, not cutting, taxes on high-income Nebraskans. This is what it says: Nebraskans support raising, not cutting, taxes. A recent 2023 poll done in February found that 68 percent of Nebraskans consider it a problem or a serious problem that taxes favor the wealthy, big corporations over middle-class families. Again, I want to jump back to my support of Senator Cavanaugh's AM1068 and also to the things that Senator Bostar is doing, but I would like to see the childcare tax credit expanded. I think that would be a greater accelerator of young families to our state of Nebraska and a wonderful retention for young families. A 2021, OpenSky poll found that 68 percent of Nebraskans support-- and they broke it out-- 38 percent strongly support, 30 percent somewhat-- a 2.5 percent additional tax on the incomes of \$250,000 above to increase state support for K-12 education. And so that brings me up to, to this-- and, and I'd like Senator Linehan if she would be willing to answer a question.

HANSEN: Senator Linehan, will you yield?

LINEHAN: Certainly.

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RAYBOULD: OK. So I, I just have to say a couple of things. You know, I have some misgivings and I would like to proceed more cautiously. I'd like to see that we-- we offer these tax cuts for one year at a time and then reevaluate. And I understand there's tremendous amount of forecasting work that was done that should give some support and comfort to this initiative. But I-- the question for you is there are a number of other priorities out there-- and I know you've given us plenty of information, and I'm grateful for that. Thank you. But, you know, the Education Future Fund is \$1.25 billion in the upcoming biennium, and do you feel that this is sustainable in light of all of some of the really amazing initiatives that the Legislature and very transformative things that the Governor has proposed?

LINEHAN: Yes.

RAYBOULD: And could you--

LINEHAN: I do believe it's sustainable. It's in his budget. We went over the budget. It's all in the budget.

RAYBOULD: Yes. I appreciate you going over the budgets. But could you explain to everyone here, you know, where, where are we at after the fourth year of these tax cuts for both corporations and for individuals--

LINEHAN: So I--

RAYBOULD: --in that last year.

LINEHAN: If you go to the Governor's budget that he handed out at the end of January and you go to page 7, which Senator Dungan and I talked about earlier.

RAYBOULD: OK.

LINEHAN: It shows what our current year is. It shows the upcoming biennium, and it shows the following two years. So there's five years. So it's on page 7 of the Governor's bo-- budget. It has the \$1 billion that we're going to put in the Education Trust Fund this year. Then there's \$250 million the following year, \$250 million the following year and \$250 million the following year. So that's \$1.75 billion that we're putting in the Education Trust Fund. Then, as Senator Dungan talked about, you get kind of a little rounding errors--

HANSEN: One minute.

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LINEHAN: --here in that years. But then if you turn to page 9-- now this-- excuse me-- this budget includes all the tax cuts we're talking about. It's in the Governor's budget. And then you turn to page 9, you still have \$1.6 billion in the rainy day fund, plus you have the \$324 million in the minimum reserves. So we have \$2 billion over and above paying for the tax cuts.

RAYBOULD: Thank you, Senator. And do, do you feel that the corporations should be-- should we-- is it reasonable to have expectations for our corporations, not in lieu of or in exchange of, but do you think that they should be-- have-- should we as a legislative body have expectations about corporations once they get a tax cut? You know, we have 64,000 job openings currently and--

LINEHAN: I don't-- I'm sorry. What do you mean should we have expectations?

RAYBOULD: We have expectations that the corporation should be--

HANSEN: That's time, Senators.

RAYBOULD: --increasing our, our, our job growth, things like that.

HANSEN: Thank you, Senator Raybould. Next in the queue is Senator Dungan.

DUNGAN: Thank you, Mr. President. Colleagues, I know there's not a lot of people in this room yet thanks to the dinner break. I hope we get more people back. I think one of the things that I've been trying to highlight as I've been talking, which maybe I've not done a, a great job of because I still think there's some confusion amongst colleagues, is that this amendment-- yes, there's a bracket motion up there. I, I suppose I rise opposed to the bracket motion, although I do understand the concerns that Senator Wayne had, and they are serious. But AM1068 from Senator John Cavanaugh is a real amendment, and it's intended to be some sort of compromise wherein the concerns that I've expressed, Senator Cavanaugh has expressed repeatedly, are trying to be addressed. And under AM1068, we are still having a significant tax reduction. And so this is not changing the current tax structure to increase taxes. Under AM1068, you are getting a reduction in all-- or, the top two brackets of the income tax and in the corporate tax. And this is not a filibuster amendment. This is an amendment where if we took a vote on this right now and we got our votes, we could probably move on. And that's all people have been asking for for the last 50 or 51 days is, can't we have an actual

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debate? Can't, can't we reach real compromise and then can't we move on? I, I would vote for LB754 if AM1068 was attached to it, if we modified it with that 4.99 percent on the top. And I believe that a number of other folks would vote for that as well. And I think we can move off of this on General File and move on to the next bill. And so I guess what's surprising to me is as we've stood here and talked about our concerns and we've talked about things that could potentially make us less concerned by reducing that top rate to 4.99 percent instead of reducing it to 3.99 percent, I have yet to hear a good reason why not. I, I've yet to hear anybody say that if we lower it to 4.99 percent, X, Y and Z is going to happen and that's bad. I've had a lot of people say, we don't have to do that. I've had a lot of people say, I don't want to do that necessarily, and here's why I don't think your concerns are accurate. And again, intelligent minds can disagree. We can, we can disagree about projections and numbers and how those numbers are reached, and I think that's why we have this debate. But the reason I'm standing right now about this-- I just want to make sure those who are listening at home or those who are in this room understand that if we reach an agreement on, on this, on AM1068, if we vote on this amendment with 4.99 percent, I fundamentally believe that we can move forward then right then and there on that part of the tax package. And so if this does go the full eight hours, as it might, I just want to make perfectly clear that that's not because we're holding anything up. The bracket motion, again, I understand, looks similar to what we've seen on the board previously, but that was a legitimate concern from Senator Wayne. But AM1068 is in good faith. And AM1068 is meant to address legitimate and valid concerns that individuals not just in this room have regarding the potential future of not just our General Fund status but also our Cash Fund Reserves. And again, I just-- I, I, I would be remiss if I didn't remind my colleagues that we're trying to find compromise and move forward. We're not looking at a bunch of bracket motions or IPP motions or motions to recommit. We're talking about the bill. We're talking substantively about taxes. We're talking about the effect that lowering the rates would have on individuals who fall into different income brackets. We're talking about whether or not it is valid or it is correct to assume that a reduction is going to result in corporations or individuals moving here. And so I just want to make sure we resituate--

HANSEN: One minute.

DUNGAN: Thank you, Mr. President. I want to make sure we resituate the conversation here tonight to understand that a vote for AM1068, I believe, will allow us to move forward. I don't believe there is any--

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and I, I'm not looking at my computer, so please don't take this as a promise, but I don't believe there's any other motions on the second half of this division. If there are, my hope would be we could find some consensus and move forward on that. But the effort here is legitimately and fundamentally to have a real debate, reach consensus and try to move forward. So I would encourage my colleagues to listen, to think about why it would not be that bad idea-- of an idea to start with 4.99 percent and assess where we are in the future. And please understand that we're just trying to move forward and find some common ground. Thank you, Mr. President.

HANSEN: Thank you, Senator Dungan. Senator Linehan, you are next in the queue.

LINEHAN: Thank you, Mr. President. I'm sorry if I haven't been absolutely clear why 3.99 percent is the right number. I thought I had, but I'll go through it again. 3.99 percent is where I was going in January of '26-- 2026. Missouri is going to be at 4.95 percent in 2023. Kansas is looking at 4.95 percent. There's no income tax in Wyoming. There's no income tax in South Dakota. The House in Missouri just passed a 2 percent proposal and Kansas just passed a 4 percent proposal. The reason we're going to 3.99 percent is to be competitive and not to be higher than all the surrounding states. And we talk about in the Revenue Committee border bleed-- so if you go to, go to another state because you can buy something cheaper-- this is serious border bleed if we're living right next to states that would tax you less. And yes, I'm sorry if I haven't been clear, Senator Raybould. I didn't get to answer your question to follow up. Yes, I do expect that if we lower taxes, there will be more people hired. I'd rather have them hired here than have the companies go to a state that doesn't have taxes. Also, I think-- and I'm not sure. I think if Senator Machaela Cavanaugh-- and I've heard this many times in the last six years I've been here, that Conagra left town. Conagra did not leave town. There are somewhere between 1,500 and 2,000 employees of Conagra in Omaha, which includes the Council Bluffs facility. Conagra's Omaha base is their largest employment base in the whole company. Their headquarters moved, but they're still here. If you go to the Omaha Chamber of Commerce and you look out to the east, they can show you where all the buildings are where Conagra is still here. And we would have lost Conagra if we had not passed it-- the bills, the first bill-- first incentive bill, LB775. We probably would have also lost Union Pacific. So we can keep depending on incentive packages where only the biggest can access them because they got enough lawyers, enough tax accountants to figure it out and have cash to wait for the incentives, or we can do the right thing and move to a tax rate that

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is competitive not only in our area, but nationally. I am absolutely against dropping it to 4.99 percent. Dropping it to 4.99 percent means we're still the highest. That's not what I want to be. I don't think most Nebraskans want to have the highest tax rate either. Finally, I did not hear, but I got-- my phone blew up because Senator Dungan said something about people are moving out of Florida. Not true. Now, there-- and I think I asked the pages to hand this out, but maybe I didn't because I don't see it on anybody's desks, but I will hand it out. This is from ALEC, and it is from 1997 to 2019. What states gained population and what states lost population? It's startling. Florida has gained by far the most. Nevada is next. And I think this might touch on something of what Senator Dungan was saying. South Claire-- South Carolina is next. Then Arizona, North Carolina, Montana, Idaho, Wyoming, Texas, Colorado, Oregon. These are all net gains. Oregon, Washington--

HANSEN: One minute.

LINEHAN: So those are the gains. You know where Nebraska is on this list? We're not at the bottom. That's good. We are one, two, three, four, five, six, seven, eight from the bottom of losing. So who's ahead of us? New York, Illinois, Michigan, Ohio, New Jersey, Louisiana and Connecticut. They've lost more than we have. So we can say that people don't move because of taxes, but out of the ones that are at the top that have gained, one, two, three, four, five, six, seven, eight of them have some of the lowest tax rates in the country. So there's-- I think Senator Cavanaugh-- it's one of my favorite say-- sayings. John Cavanaugh used it earlier this week. There are liars, there are damn liars and there's statisticians.

HANSEN: That's time, Senator.

LINEHAN: Thank you.

HANSEN: Senator Machaela Cavanaugh-- Senator John Cavanaugh, you are recognized.

J. CAVANAUGH: Thank you, Mr. President. And I-- yes, I appreciate that quote, Senator Linehan. It's one of my favorites. And it is, it is very apt in this conversation because we can all point around at different statistics and things because there's studies to prove everything that we all want. But I-- so I appreciate what Senator Linehan is trying to do. And if you watch these tax debates, you might-- the one underlying thing that you'll find out is that she and I just have a fundamental disagreement and we're probably never going

to come to terms on that one. But, you know, we've, we've been able to work, you know, in, in some regards about it. And this was-- getting to the point where we're going to have a vote on this. This is my attempt at a compromise. And what I would say is, aside from-- I know it doesn't get to where Senator Linehan wants to go. That's clear. That's evident off the top, that we are going less of a tax cut than she proposed. But the thing I would just sort of point out-- and, you know, this was my opening salvo, I guess, in terms-- I would be amenable to 4.95 percent to match Kansas. I think that's a reasonable step down on that top rate-- rate if that's what we're talking about. But what I would just say in terms of how everybody's considering to vote here: we have implemented [INAUDIBLE] my-- this is my-- now my third year-- we have implemented tax cuts every year. And in each of those years, we've started out with a tax package, we did something that was-- had a phased-in approach, and then we came back the next year and either expanded the tax cut, we accelerated the implementation or, you know, did the next step, which is what we're-- exactly what we're being asked to do in AM1063 and LB754, which is accelerate the implementation of the tax package from last year and then add a tax cut on top of it. And so what I'm saying is let's just stop the implementation of this-- of LB6-- LB1063-- or, LB754 earlier. Essentially, this would be-- the implementation would be halted for that top bracket between the 2026 and 2027 implementation. This is 2023. If we come back next year and everything is still as rosy as possible, we haven't even gotten to the implement-- this hasn't taken effect yet. This Legislature, this same biennium, could come and finish the implementation of this. But what I'm saying is that, at this moment, let's slow the implementation. And we can come back and, and you can finish the job next year, which is what you have done every year for the last three years. We have started a tax package, implemented some of it, in-- increased the-- or, sped up the implementation. So there's no harm by doing the AM1068 to the overall package. It gets the lower-- the second bracket down to 3.99 percent. It gets the first bracket down to a 4.99 percent by 2026, I think. And so if things continue, the projections keep coming in, as everybody hopes they will, which I am of course nervous about and why I'm advocating for this particular type of change, then there shouldn't be any problem to keep-- to move it down another percent or half a percent or restart the implementation. So that's the suggestion here. And since we haven't really talked about this, we don't have a fiscal note on it. Just my sort of back-of-the-napkin math would say that the halt in the implementation of that one section would save somewhere around \$100 million in terms of the outyears of this. So when fully implemented, this section, LB754, has about \$734 million in 2028-2029

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biennium. So that's the annual cost of the full implementation. So if you-- by my math, I would stop-- this amendment would stop the implementation at--

HANSEN: One minute.

J. CAVANAUGH: --about 2026. Obviously, we implement it down in the middle bracket so there's something there, but that's about \$150 million, \$160 million in the implementations. So, I don't know. If we, if we did adopt this amendment, we'd get a fiscal note, I think, for the next round of debate. But as Senator Dungan said, there's no harm in adopting AM1068. And to his point, I think it would eliminate a lot of the opposition to this bill. We've heard a lot of people who favor the other sections of this bill. We're debating on this section. This is a genuine conversation we wanted to have about the implementation of this bill. And it would-- we could move forward and pass this bill and move on and then come back next year and finish the job if the numbers continue to come in in as favorable of fashion as everybody thinks. So I would suggest-- ask for your green vote on AM1068 and I, I would stand opposed to the bracket motion at this point. Thank you, Mr. President.

HANSEN: Thank you, Senator John Cavanaugh. Senator Jacobson, you are recognized to speak.

JACOBSON: Thank you, Mr. President. I rise again in, in opposition to the bracket motion and I also am in opposition to AM1068, would support AM1063 and the underlying bill, LB754. Again, I think, why is this material? The Revenue Committee spent a considerable amount of time thinking through all of these pieces. There are a lot of moving parts. The Revenue Committee brought this as a package of all of the various parts of this. And the fact that we've divided the question is now leaving this by itself, but we've really got to look at all of this in its entirety. OK, I'm going to tell you I'm supporting the ta-- the pro-- the, the income tax cuts with the understanding that, number one, it is going to give us that headline number, ultimately, of 3.99 percent, which I think is critically important to companies that are looking at staying here and companies that looking at moving here. I'm also in support of only changing that piece of it and, and do-- accepting it the way it is because we're also going to need dollars for property tax cuts. And I'm going to be very unhappy if we aren't going to see meaningful property tax reductions. In fact, I'm not going to be unhappy. I'm going to vote no on all this stuff if we don't get meaningful property tax reductions. That was the loudest message that my, my constituents sent me this last summer, is property

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taxes have got to come down. And I think if you're honest with yourself and you knocked on any doors last summer, everybody's saying that across the state. We need income tax reductions to attract and retain companies that are here today. And I'm not talking about business incentives. I'm talking about we need a fair income tax rate that's competitive with the states around us. Senator Linehan is exactly right. How can you sit in Omaha, Nebraska and say, stay on this side of the border and pay more? That's a tough sell. I mean, the Omaha Chamber is good, but I'm not sure they're that good. So I'm just saying this is something that's important. That headline number is critically important. And many of us came down here with that in mind, that we're bringing taxes down. Yeah, we could wait a year, but you know what happens when we wait? We tend to spend the money that gets left over. And I can tell you, I also had a very loud and clear message from my constituents that they expect some of the money back that they paid in and they expect to be taxed less going forward. And I'm committed to delivering that to all of my constituents and those across the state to make this state more competitive, and that's what I believe this bill will do. So again, I would urge you to vote against the bracket motion against LB1060-- the AM1068. Vote for the amendment and for the underlying bill. Thank you, Mr. President.

HANSEN: Thank you, Senator Jacobson. Senator Dungan, you are recognized to speak. And this is your third opportunity.

DUNGAN: Thank you, Mr. President. And colleagues, I also want to take a second to thank the other folks having this debate. Senator Jacobson, I do appreciate your perspective. We serve together on the Banking, Commerce and Insurance Committee. And obviously, we've talked a lot about various things so I do appreciate your perspective as a businessman. And I would be the first to say we get along very well. We just happen to disagree about certain issues. My concern when it comes to the corporate tax rates is that a reduction in the corporate tax rates could benefit-- and I want to be very clear. I do want to make Lincoln, I want to make Nebraska as competitive as possible, right? I've talked to the Lincoln Chamber. I've talked to the Omaha Chamber. I've talked to folks out in central and western Nebraska. And we absolutely have to be doing everything we can do to make Nebraska both competitive and attractive for businesses and for people to come in here. There's a lot of other options that we can do to bring people in there, but I understand the desire to create an environment wherein corporations can come to Nebraska and operate. My concern, again-- and I don't mean to be a Debbie Downer-- is that reducing the corporate tax rate is not going to have a tangible benefit on Nebraskans or on businesses that are actually located here. And what I mean by that is

this. So Nebraska-- and I apologize if I misstate any of this. We've been talking a lot today-- Nebraska is a state where a corporation can benefit from a corporate tax reduction if they do business in the state. They don't have to be domiciled here. They don't have to be physically located with, like, a, a, a headquarters or something in the state. And so you could have, for example, a corporation that is domiciled in Delaware in order to benefit from positive Delaware law. Their headquarters could be in California and a lot of their workers are in California and their shareholders are in California, but they do some sort of business here in Nebraska. They receive the benefit of the reduced corporate tax rate here in Nebraska by virtue of simply doing business here. And the benefit of that, the monetary benefit of the money going back into the pockets of people-- which is what this is ultimately about, right, is trying to help citizens in Nebraska-- the benefit is possibly going to go to the people who all work at the California headquarters and the shareholders of the corporation who are in California or the people who work where it's domiciled in Delaware, whatever that may look like. And sure, is there going to be some ancillary benefit to the people who work at whatever store they have here in Nebraska? Maybe. But ultimately, the corporate tax rates are not limited just to those individuals who are actually physically located in the state of Nebraska. And so when we're talking about reducing these rates in a way that makes us competitive and in a way that puts dollars back in the pockets of everyday people, which is my number-one concern, I fear that lowering our corporate tax rate is not going to make us more competitive and is simply going to benefit people outside of Nebraska. When I was out knocking doors for my campaign, the majority of people that I talked to in my district said that they just want a little bit more money in their pocket, right? They just want things to be a little bit easier. And I agree with that. And that's part of why I think Senator John Cavanaugh and many others have brought amendments like this, is we want to see money go back into people's pockets because that is what people need, that is what people want. But we've been tasked with being good stewards of not just our budget, but also of the sort of entire outlook moving forward. And again, I think that while there are certain projections that put us in a situation 10 years out that are fine, there's other concerns and projections that people have that have concerns about that if there's economic downturn. A modest compromise amendment, such as AM1068, which lowers the top bracket down to 4.99 percent instead of 3.99 percent and still lowers the next bracket down to 3.99 percent, puts us in a position where we save, as Senator Cavanaugh said, maybe \$100 million. My back-of-the-envelope math when looking at this is about \$300 million to \$350 million.

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HANSEN: One minute.

DUNGAN: Thank you, Mr. President. And so, again, the vast majority of Nebraskans, when they're asked about what they want, they want things to be a little bit easier. They want middle-class and working class people to be focused on. They don't want a focus on wealthy corporations. And I understand. We do need to make Nebraska competitive. We do need to make sure that we bring more things in here. And there's a number of proposals you're probably going to see out of Revenue this year that I support, that do make Nebraska a more competitive environment, that encourage business. But I don't believe that, as this is currently written, this achieves that without some concern. So, colleagues, I'd urge you to vote for AM1068. I think we're probably going to vote on the bracket motion soon. I am opposed to that bracket motion, but I would encourage you to vote for AM1068 as a reasonable compromise amendment and let us move on to other bills. Thank you, Mr. President.

ARCH: Senator von Gillern, you are recognized to speak.

von GILLERN: Thank you, Mr. President. Forgive me, I'm kind of scratching notes as I'm hearing different testimony and responding to a number of different things here. So it's not my intention that this sounds rambling, but I'll try and cover a lot of these comments. I, I just want to stress the fact we are in a competition for people. We're in a competition for businesses. We're in a competition for young people to stay here, to be educated here, businesses to, to, to either come here and start their business or to stay here. This is a serious competition between us and 49 other states, and if we don't take it that way and we don't realize that, we're going to be out of business as a state. We've got acres and acres and acres, square miles and not very many people. It's already hard enough to manage the economy of the state of Nebraska based on the math that we have right now. When start running businesses and people out of town, and particularly high-income earners out of the state, we're going to have a real problem. I have friends that have moved out of state simply because of the tax laws here, not because they wanted to live in Oregon, not because they wanted to live in Texas, not because they wanted to live in Florida-- and the weather's great in all those places-- but they left because of the tax burden. They flew back home to see grandkids and all that. And frankly, some of them have moved back for other reasons now, but they moved away because of the tax environment. A good friend of mine moved a big chunk of his business out of the state simply because of the tax environment. We have to compete with every other state, but especially our border states. And I guess I'm really

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struggling to understand how we can't look at our border states and their tax rates and not see that we're not competing with them. And I'm telling you, it's not hard to move to South Dakota or Iowa or Kansas or Colorado or Wyoming. Two of those states have no income tax. I love, I love the state of South Dakota. I love going up there. I love the wildlife. I love the, the, the lake. I love the terrain. I love everything about it. But we've got grandkids and a family and now we've got a job here in the state. And I love the state of Nebraska, but, boy, if it was based on economics, I'd be living in South Dakota. We've got to do things to stay competitive, particularly with our border states. And Senator Dungan, your comment about the benefit to corporations who do business in Nebraska, just-- I, I'm completely-- I, I couldn't be more in disagreement about that comment. If you live in California, if you live in New York, if you live in Alaska but you do business in the state of Nebraska, you pay Nebraska taxes. So I don't care where you live. You do business here, you're going to pay taxes here. And frankly, the state benefits from that. So it doesn't matter where you're domiciled. We've had that conversation. It doesn't matter where you're headquartered. If you do business in the state of Nebraska, you pay taxes here, and that benefits our state. It benefits all of our citizens to have that income here in the state of Nebraska. I'd rather have you here than somewhere else. And frankly, I don't care where those people live. If they, if they want to do business here, you're welcome to do business here. We'd love to have you. I've got some statistics in front of me. I'll go through a few of them. They're regarding state rankings in Nebraska. I'll just read through a few of these. This was an economic outlook ranking. Top marginal personal income tax rate: Nebraska ranks 31st. Top marginal corporate income tax rate: Nebraska ranks 34th. Personal income tax progressivity, ranks 44th. Property tax burden, 41st. Sales tax burden, 26th. Estate and inheritance tax levy, 50th. That's a whole nother topic, but we're in last place. Public employees per 10,000 of population, 47th. State liability system survey, 8th. I don't even know what that means, but it's in the stat list. State average workers' comp cost, 25th. Right-to-work state--

ARCH: One minute.

von GILLERN: --there's one to be proud of. Thank you, Mr. President. We are number one as a right-to-work state. And by the way, since we have a habit of going off topic when we're testifying, I've got LB205, which ensures contract neutrality for businesses that do-- that contract with the state. Unfortunately, that bill is attempting to be killed. So right-to-work state, we're number one. Number of tax expenditure limits, 32nd. Total ranking, 35th. If we invoke-- if we

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put in place the, the-- this tax package plus the property tax package that's in the works and is coming, we increase or we, we, we increase our ranking dramatically. And I stand in support of LB754, against the bracket motion, obviously, and against AM1068. Thank you.

ARCH: Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Senator von Gillern, would you yield to a question and bring that-- whatever you just had with you?

ARCH: Senator von Gillern, will you yield to a question?

von GILLERN: I will.

DeBOER: Senator von Gillern, I was in the back getting some water. Did you say that we were 41st currently in states for progressivity, regressivity?

von GILLERN: Personal income tax progressivity, 44th.

DeBOER: 44th. So that's pretty bad, right?

von GILLERN: Yes, it is.

DeBOER: So we are not a very progressive state.

von GILLERN: No, and that's the whole point of what we're trying to get done today.

DeBOER: Well, progressive, right-- I'm, I'm asking you, but I think what they're measuring there is whether the top income earners pay a higher percent than the low-income earners. That's my understanding of the word "progressivity" with respect to taxes. Is that correct?

von GILLERN: I, I'm sorry. I, I am not positive that that's what their implication is here. My understanding was that they were saying that we're not progressive in keeping up with what other states are doing, but I'll find out for you.

DeBOER: I think that-- usually, when they mean it, they mean progressivity. And I think that's probably true. We do have a very low top tax bracket and we do have a very little difference between the top and the bottom. And we made our, our tax-- taxes, our personal income taxes more regressive last year. This would also-- I'll telegraph what I'm going to talk about and then I'll be done with my time. Thank you, Senator von Gillern.

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von GILLERN: Thank you.

DeBOER: That we have made our tax structure more regressive and this, as written-- although I think we could work on it a little bit-- is going to make our tax structure more regressive yet. If, as I think what that means is, we are already 44th out of 50 states in the country for regressivity, progressivity. That's not great. And I think we probably shouldn't make it worse. So I will see if Senator von Gillern can figure out what that actually statistic means. And I would be very interested in knowing that. And in a minute, I think I'll have a chance to talk to you more about progressivity, regressivity of our tax structure. Thank you, Mr. President.

ARCH: See no one left in the queue, Senator Wayne, you're welcome to close on your bracket motion.

WAYNE: Call of the house.

ARCH: There has been a request to place the house under call. The question before the body is, shall the house be placed under call? All those in favor vote aye; opposed, nay. Mr. Clerk.

CLERK: 23 ayes, 1 nay to place the house under call.

ARCH: The house is under call. All unexcused members, please return to the Chamber. All unauthorized personnel, please leave the Chamber. The house is under call. Senator Wayne, you are recognized to continue to-- your close.

WAYNE: Thank you. That hurt. Is Appropriations meeting right now? Is Appropriations meeting right now? I'm looking for a head nod from somebody and I-- OK. Well, we don't have to wait for them. We'll go ahead and continue. I withdraw my motion.

ARCH: The motion is withdrawn. I raise the call. We now turn to debate on AM1068. Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I'd ask if Senator von Gillern would yield to a question. And I'll telepath the question. I just-- I didn't catch the source that you were talking about and I wanted to look it up.

ARCH: Senator von Gillern, will you yield to a question?

von GILLERN: Yes, I will.

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M. CAVANAUGH: What was the source that you were referencing? I, I heard your, your conversation with Senator DeBoer, but I missed your first part, so. Sorry.

von GILLERN: Yes, the, the-- what I'm-- the source I'm quoting from is a book called Rich States, Poor States.

M. CAVANAUGH: OK. All right.

von GILLERN: And I-- if I could, I did look up--

M. CAVANAUGH: Yeah.

von GILLERN: --the definition of progressive taxes. It says a progressive tax rate imposes higher payments as income increases.

M. CAVANAUGH: Yes.

von GILLERN: Thank you.

M. CAVANAUGH: Thank you. Thanks for answering the question and thanks for the clarification. That was it. Thank you. I yield my time.

ARCH: I see no one left in the queue. Senator John Cavanagh, you are welcome to close on AM1068.

J. CAVANAUGH: Oh, thank you, Mr. President. Well, I'll just get to the calling the house. Can I do that and still speak at the same time? I'll ask for a call of the house while I'm closing.

ARCH: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay.

J. CAVANAUGH: I'm trying.

ARCH: Record, Mr. Clerk.

CLERK: 24 ayes, 4 nays to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call.

J. CAVANAUGH: May I proceed with my closing while-- thank you, Mr. President. I was just trying to be efficient. I know-- you know,

there's been a lot of talk by a few people around here about how time has been managed this year, so I was just trying to manage as efficiently as possible. So I appreciate everybody's vote on the call of the house. I think that might be my first call of the house this year, but I'm not sure. I don't remember now. Now that I say that-- OK. So we're here on AM1068, and this is my amendment to Senator Linehan's proposal. And I started out by talking about-- well, this is a compromise proposal. So what it does-- I handed out earlier to everybody-- so you can take a look now that you're sitting at your desk-- the 2022 Nebraska Tax Calculation Schedule for Individual Income Taxes. And so you can look at that and see-- we'll look at married, filing jointly. Top tax bracket, \$66,360 and above, currently pays 6.84 percent. Under the bill we passed last year, which-- number I can't remember-- would lower that in steps down to 5.84 percent. What Senator Linehan's bill does is one, immediately implement the 5.84 percent so there's no longer any more steps. We go to 5.84 percent next year. And then continues the steps approach after that to go down to 3.99 percent for both that above \$66,360 and for the above \$41,190. So that's a lower from 6.84 percent and, and ultimately 5.84 percent down to 3.99 percent and from 5.01 percent to 3.99 percent. And so what my amendment does is it still takes that 5.01 percent down to 3.99 percent, but it takes that 6.84 percent-- 5.84 percent down to 4.99 percent. This is a smaller step down for the highest bracket, and that extends across all of the single and married, filing separately and head of household, so it would apply across all the brackets. But-- so what this does is it's a smaller step for that higher bracket. It would-- and this also applies for the corporate tax rate as well, takes that down to 4.99 percent for above \$100,000 and 3.99 percent for below \$100,000. So it's-- it is a still a reduction and a substantial reduction for the highest tax bracket. It's a substantial reduction for the second tax bracket. It's a smaller step down than is proposed here, but still a big step down. And it would save at full implementation somewhere around \$100 million. We don't have a fiscal note on that yet, but it's a more prudent step. And my case that I've been arguing to you all this afternoon is there's no harm in doing this. We're still implementing every other aspect of this bill. We are implementing the 3.99 percent for that second bracket. We're taking this down to 4.99 percent. And if we see that the revenue projections that everyone hopes continue to be as good as they are to allow us to continue to decrease taxes, you can come back next year and, and continue the implementation down to 3.99 percent for that top bracket or do something else. But we have continued-- we, we've lowered taxes every year since I've been here. And every year, we have come back and adjusted and lowered the, the brackets that we lowered the previous

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year. We've implemented them faster. The implement-- the phase-in's faster. So there's no concern that we we're-- that's-- that we won't do that if we have the money. The concern is if we don't have the money, if the, the projections start to take a turn, which-- Senator Briese mentioned this-- that our average rate of growth for the revenue is, I think, 4.5 percent. And what he said is they're projecting 2.5 year-- percent projection in the next--

ARCH: One minute.

J. CAVANAUGH: --outyears. Thank you, Mr. President. The problem with that is the previous years have been in the 10 percent, 15 percent range. If you have average growth of 4.5 percent, that means you have to have negative growth at some point to average out those high years. And so there is a downturn coming, and we need to be cautious about implementation of huge expenditures like this. So this is a pragmatic approach. It's a small-stepped approach. I think this is a better way to implement this, and it's my modest proposal for this bill. And I would say that you can-- if you think that we still have the money next year, you can come back and finish the job, but it does not prevent you from doing that. So I would ask for your green vote on AM1068. And thank you, Mr. President.

ARCH: All unexcused members are now present. The question before the body is the adoption of AM1068. All those in favor-- roll call vote has been requested. Mr. Clerk.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood. Senator Bostar not voting. Senator Bostelman not voting. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson voting yes. Senator Geist voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney not voting. Senator Moser. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting no. Senator von Gillern voting no.

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Senator Walz not voting. Senator Wayne not voting. Senator Wishart voting no. Vote is 8 ayes, 32 nays, Mr. President, on adoption of the amendment.

ARCH: The amendment is not adopted. Mr. Clerk, next amendment. I raise the call.

CLERK: Mr. President, next amendment. Senator Dungan would move to amend AM1063 with AM1047.

ARCH: Senator Dungan, you're welcome to open.

DUNGAN: Thank you, Mr. President. Colleagues, you heard Senator Cavanagh's amendment. And for those who were paying attention and listening, I think him and I both tried very hard to articulate that that was meant in good faith to try to reach some agreement. And the purpose of that was to try to find some compromise where in the top bracket and the second top bracket, brackets three and four, rather than reducing them down to 3.99 percent, his amendment would have reduced it down to 4.99 percent. My amendment, on the other hand, simply takes this back to the original language that was agreed upon by this body the last time the tax cut happened. And so this amendment takes it back from 3.99 percent to a 5.84 percent. What I'm trying to say is we still get a tax reduction that the income tax and corporate tax rates, as they were proposed, are-- as they currently are, rather-- ultimately end up, by 2027, at 5.84 percent instead of where they currently are at. I wasn't a part of this body when the prior bill, the prior tax package, went through. I was paying attention. I was watching at home, as I often did. And my understanding is that by the final iteration of this package, the final iteration of the tax cuts, there were no "no" votes on the agreement that the top bracket should end at 5.84 percent. I think that returning to that agreement, it makes sense. As Senator John Cavanaugh I think just pointed out and others have pointed out, there are concerns that we have. There are concerns we have about the longevity of some of the funds we have. We have concerns about the ability to fully fund schools. But at the end of the day, I think what a lot of people are concerned about is just making sure that all of these things are going to work into the future and that we don't move too fast. Part of what was agreed upon, as I understand it from talking to folks who were here, is that this would be a slow phase-in of a reduced tax rate and that ultimately, by 2027, we'd find ourselves with a top tax rate of 5.84 percent. And part of the reason I think-- again, I wasn't here, but I've heard-- that there was a phase-in was to wait and kind of see how that worked out. And having a phase-in and, and moving to that point allows you the

opportunity to kind of view whether or not it's working, if it's actually causing beneficial results to corporations, if there's benefits to individuals. And so it made sense to me from the outside looking in that there would be a phase-in to make sure we didn't move too fast or go too quickly on something as consequential as reducing our tax rates. Earlier this year, Senator von Gillern brought two bills that were to accelerate that phase-in, and those two bills were bills that took us from where we were today to 5.84 percent immediately next year. And so what my amendment does is it essentially mimics Senator von Gillern's bill. He brought a bill-- and I can get the numbers here in a little bit. I think it was LB608 or LB605 [SIC]. It was two, two numbers that were very close together. One was to accelerate the income tax phase-in and one was to accelerate the corporate tax phase-in. So, colleagues, I would just say that if you were generally in favor of these bills that were brought by Senator von Gillern earlier this year, that you would also be in favor of this bill. Because what this does is it seeks to enhance or increase-- or, accelerate, rather-- our moving towards that 5.84 percent, and it drops those taxes immediately. So I'm sure you'll hear from others, and I probably will continue to talk again about some of the reasons that I have concerns, but it seems problematic what I've heard some folks complain about or what I've heard some folks express concern about, which is, it seems like an agreement is reached one year and then the next year, they move the goalpost or somebody moves the goalpost. And this happens on both sides. This happens across the board. I'm not saying this is just one part of the political spectrum or the other, but the idea of moving goalposts is incredibly complicated and problematic. And so in a world where there's an agreement that's reached and that agreement results in not a single red vote on a tax reduction and that number is agreed upon by all-- and I think I've heard from others here that what they said is we have to get south of 6 percent, which is why that 5.84 percent was agreed upon. And so if everybody in the body agreed that that was at least a compromise worth reaching and that that compromise was worth reaching and that we could, in fact, as a state hold off until 2027 to reach that number, I don't see why you would be opposed to reducing it to that number right now as opposed to dropping to the 3.99 percent. I said it before on the prior amendment. I'll say it again on this amendment. No one-- well, that's not true. Generally speaking, I've not heard many reasons that it would be problematic to go to 4.99 percent rather than 3.99 percent. I know Senator Linehan did articulate and has articulated in Revenue-- and I, I will acknowledge that-- that the desire here is to be competitive. But, colleagues, I would urge you to consider the fact that 5.84 percent would keep us

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competitive and that we can ultimately come back and make other decisions moving forward if we see that this is working and if we see that reduction in income tax and corporate tax rates has resulted in an influx of individuals, if it has resulted in an influx of corporations. If we find ourselves in a situation where we can point towards the numbers and the data and see that, in fact, people are flooding to Nebraska because of these reduced rates, then I'd be happy to come back and have a conversation regarding further reductions. But what I'm trying to do is (a), ensure that we don't run too fast or go too far and (b), make sure that we essentially hold ourselves accountable to the deal that was made by this body previously, which is that 5.84 percent was a reasonable number and that we could phase that in by 2027. So I anticipate a few more times on the mike. I, I don't know how many more people are going to be speaking on this, but I, I just want to make clear that this is mimicking Senator von Gillern's bills that were brought and that I would encourage my colleagues who want to ensure that we have a healthy fund for the future and that we move with some consideration of how funds are going to look moving forward. At least take a look at AM1047. And with that, I would yield the rest of my time. Thank you, Mr. President.

ARCH: Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. And I want to thank Senator Dungan for introducing this amendment. It's the right move to make. The reason why I say that is, you know, Nebraskans, we are slow and steady and we're cautious and cautiously optimistic. So we know the proposed tax cut in LB754 are expensive and could possibly jeopardize future services that matter to everyone in this Chamber. The corporate and personal income tax rate cuts proposed in the package are expected to cost more than \$700 million annually when fully phased in in 2027. But I have to tell you, I know that Senator Linehan has done a wonderful job presenting the Governor's budget. But this morning, when we had a wonderful briefing that Senator Linehan had organized, I asked the, the Governor's revenue liaison person. I said, have you factored in inflation? Have you factored in the increase in interest rates? Have you factored in the banking fragility and, and all the disruptions that we see in the stock markets to come up with clean, clean data and clean projections? And so the fiscal notes for the bill that constitute the rat-- rate cuts are not usable, as the introduced provisions were changed in AM906. And Senator Linehan also said that, you know, these are just estimates and we're really not going to know the actual cost of-- the impact of these bills because we're relying on comments from a January press conference. And there won't be any updated fiscal notes unless the package advances to Select File. And

so numbers matter to me, and I'd like to know exactly where we're going. And one of the other things-- and I've, I've said this before, that I'd like some strings with the corporate income tax cuts because I want them to deliver on a return on this investment that we're giving to them. You know, we've had the tax cuts, and I don't think Nebraska's in a better economic spot because of it. Could I ask people to keep it down in the Chamber? Thank you. Thank you, Mr. President. You know, we talk a lot about Blueprint Nebraska. It is really a well-written document. It gives us the road map on how to improve our state of Nebraska. And I just wish everyone would take at least 10 minutes to peruse it. But this is what Build Nebraska said on some of the fundamental elements of how do we build a simpler, more efficient and effective government? And they had three bullet points. Number one: realign Nebraska's tax structure to promote statewide economic growth and prosperity. They emphasize "statewide," not just in rural Nebraska, not just in the heart of Nebraska and not in just eastern Nebraska. Statewide economic growth and prosperity. And this is the point, making Nebraska the most competitive state in the Midwest. This is a bold ambition, but a fiscally responsible and nimble Nebraska has great odds of revolutionizing tax burdens. And I think Governor Pillen has done something extraordinary with education and rightsizing the funding of education. But this is what Blueprint Nebraska has said-- and this is what we haven't done. And it goes to the heart of what Senator Dungan has been pointing out. We can give a tax credit now, but pause. Hold. And this is what Blueprint Nebraska says, it says the initiative of this being competitive will require commissioning a nonpartisan study to reconsider tax policy with the goal of--

ARCH: One minute.

RAYBOULD: --maximizing growth-- thank you, Mr. President-- with the goal of maximizing growth and opportunity for all and then introducing a clean sheet tax program that will keep tax burdens as competitive, efficient and equitable as possible. And it's really hard to do if we're just going to go out and forecast for the next five years with a lot of the economic uncertainty that is on the horizon but not taking a serious look and comparison. There's a lot of volatility in all the states around us as a race to the bottom of-- to get to zero income tax, zero corporate tax. So this is something that I urge-- and this is something that Blueprint Nebraska has recommended, that we do a comprehensive study and coming up with the best solutions, the most equitable solutions for our state of Nebraska. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized to speak.

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M. CAVANAUGH: Thank you, Mr. President. Good evening, colleagues. First, I want to take a moment because I don't think I, I don't know that anybody has said this yet, but ladies and gentlemen, Senator Julie Slama passed her bar. I saw it on the social medias. And what a fantastic way for her to spend her first day. Congratulations, Senator Slama. That is really exciting news. I-- there's, there's lots of pieces to this bill that I find interesting. And I saw that Senator Kauth had brought a piece on Social Security, which I love, but-- and it's just a small but-- it is accelerating what we did previously. And that kind of just speaks to some of the concerns about, like, we can stairstep things; and if we want, we can accelerate them if appropriate. And I'm totally on board with accelerating the Social Security, but I'm kind of, like, can we maybe stairstep the income and corporate tax a little bit more, do it a little bit slower, come back next year and accelerate it some more if we think that we should? So that's kind of where I'm coming at from my concerns, and I appreciate that we have that opportunity to, to do things like that. And so I think that Senator Kauth's bill on the Social Security income tax is a perfect example of going back and revisiting what we previously did and deciding if we should do it at a faster rate. So with that, I'd like to yield the remainder of my time to Senator Dungan.

ARCH: Senator Dungan, 3:20.

DUNGAN: Thank you, Mr. President. Colleagues, I think you're going to receive a form that is going to be handed out here. I think it's being circulated by Senator Cavanaugh so you may get this soon. On that, you're going to see essentially how L7B54 as written is going to impact taxpayers in Nebraska. And the intent of this is to give you sort of a snapshot of different individuals, both different occupations, filing status, dependents, gross incomes. And it's going to show you, as written, what the benefit is to those individuals or those families. I can give you sort of a baseline example here. And I'll let you read it. I'm not just going to read you the whole thing. But, for example, if you are a couple and you're retired and you are jointly filing, you're married, you have no dependents and your gross income is \$43,944, your taxable income is \$26,444. The tax change that you're going to see is \$0. No change. If you are a construction worker, single, no dependents, making \$35,613 with a taxable income of \$28,263, you're going to see an \$80 tax change. Now, moving this all the way over down the line-- and again, please look at the individual things in the middle-- and you see a couple. They're business owners, let's say, and they are jointly filing and they're married and they have no dependents and they have a joint gross income of \$750,000 with a taxable income of \$569,000. Their tax change is going to be \$9,570.

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So on that spectrum, we're looking at a tax change from \$0 to a tax change total for a year of \$9,570. I believe that that is an inequitable way of modifying our tax structure. And I certainly believe that if you work hard, have a business and you make a lot of money, you should be able to keep a huge chunk of that because you worked hard for that. But I also think that if you make a lot of money, you should have to pay your fair share. And the issue that we've started kind of talking about with all of these is our concern is that this structure disproportionately benefits those who are in the top bracket because, as a proportion of their income, they are going to be paying less taxes.

ARCH: One minute.

DUNGAN: Thank you, Mr. President. So, colleagues, I would encourage you to take a look at this. I think it's a really interesting chart. I think it's really illuminating when you're kind of analyzing who this affects and what the benefits are. I understand that those who pay the most in taxes need the most help in some circumstances-- or, under some people's beliefs. I think the people who need the most help here are hardworking Nebraskans who don't make the most money and don't understand how to properly game the system sometimes in order to not pay their taxes. And so I think there is common ground to be reached. This bill is tried-- again trying to be that common ground. If we vote on this and you get this added on, I think we can all move forward and not have any more conversation about this. So I would encourage my colleagues to support AM1047. Thank you.

ARCH: Mr. Clerk for items.

CLERK: Thank you, Mr. President. Amendments to be printed: Senator Slama to LB14; Senator Hansen to LB91. Additionally, motions to be, motions to be printed from Senator Machaela Cavanaugh to LB91 and Senator Hansen to LB91. That's all I have at this time, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. So I rise in general support of AM1070-- or AM1047. I, I agree with Senator Dungan's analysis there. I would point out that it is-- the flier he's talking about just is hitting your desk right now, so take a look at that. But his previous time speaking made me-- reminded me of these previous debates we had on tax bills in the first two years I was here. And in one of those debates, which I think was the first debate where we kind of had a, a sort of compromise and we came back and continued pushing, it

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reminded me of a poem. And I recited that poem for everybody then and it made-- actually made me think. But Senator Dungan's recitation of what we've done here reminded me again of that poem, and I think it became even more apt-- I think I said it prospectively at the time and now I think it's become-- come true. So the poem is called "Dane-Geld" and it goes something like: It is always a temptation to an armed and agile nation / To call upon a neighbor and to say: / We invaded you last night-- we are quite prepared to fight, / Unless you pay us cash to go away. This is called asking the Dane-geld, / And the people who ask it explain / That you've only to pay 'em the Dane-geld / And then you'll be rid of the Dane! It is always a temptation to a rich and lazy nation, / To puff and look important and to say: / While we are certain we would beat you, / we have not the time to meet you. / We will therefore pay you cash to go away. This is called paying the Dane-geld; / And we've proven it time and again, / That once you paid him the Dane-geld / You'll never be rid of the Dane. It's wrong to put temptation in the path of any nation, / For fear they will succumb and go astray / So if you are requested to pay up or be molested / You will find it better policy to say: / We never pay anyone Dane-geld / No matter how trifling the cost; / For the end of that game is oppression and shame, / And the nation that plays it is lost. And so what this poem is about is about when the Danes repeatedly invaded what was then, I guess, the island of Great Britain or whatever they were calling themselves at that point in time. But what we-- now would be Great Britain. And they would invade some country and ask for money to leave and the Danes would leave when they got paid. And then they of course, would come back the next raiding season. And this struck me when we were having this conversation the first time that we were being asked, you know, to cut some amount of taxes and said, well, just give us this and then we'll be fine. We'll be happy. We'll-- we need to get this, you know, lower corporate tax cut. And then the next year, we need to have-- personal income needs to be below 6 percent to be competitive. It has to be. It can't be 6.1 percent, can't be 6.01 percent. It has to be no less than 5.99 percent and needs to be 5.84 percent. And then we come back the next year, well, no. Really, to be competitive, it has to be 3.99 percent. Can't be 4.99 percent. Can't be 4.0 percent. Has to be below 4 percent or it has to be below 3 percent to be competitive. So, I mean, you-- I don't think I need to belabor the point of the analogy here, that we are continually having this conversation, and every time we have it, we're asking for more money. We are asking for a bigger allotment to the top tax bracket. And when we had these conversations in the past, you know, we've said maybe we should-- you know, we, we can't afford to adjust the brackets in a more equitable way that-- I, I heard the conversation between

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Senator von Gillern and Senator DeBoer about, you know, the fact that Nebraska doesn't have the very progressive tax brackets because they're so compacted. We've-- have previously said we don't have the money to stretch out the tax brackets and actually give them maybe a more equitable distribution of the tax brackets. We don't have the money last year to take that-- the bracket that was--

ARCH: One minute.

J. CAVANAUGH: --thank you, Mr. President-- to lower the 5.01 percent. I think Senator DeBoer had an amendment to take it down to 4.55 percent or something like that. We didn't have the money to do that then. So there's a constant, you know, this is it. We won't come back and ask for more, but we do. So Senator Dungan's proposal is one that just kind of slows-- goes back to the agreement we had last time, stops paying the Dane-geld. And so that would be why I support it. I do think we need to have a conversation about where we can find some room on the middle tax bracket there. The 5.1 percent maybe should go down. Maybe that we can-- if we adopt 10, 1080-- AM1047, we can bring another amendment that would bring that bracket down after that. Certainly, we would have-- realize a lot of savings if we adopt AM1047 and we'd have enough money to lower, say, that middle bracket, that 5.01 percent to, say, 3.99 percent. Thank you, Mr. President.

ARCH: Senator Dungan, you are recognized to speak.

DUNGAN: Thank you, Mr. President. I'm very impressed with my roommate, Senator Cavanaugh, being able to recite that all off memory. For those who weren't paying attention, he was just reading that off the top of his head. So that was, that was pretty good. I don't have a, a poem that I can recite that's particularly on point. I could quote some song lyrics, but I don't think we should go down that road yet. It's still pretty early in the evening and I don't want to get there. But, colleagues, one of the things I wanted to talk about too is, in a conversation about what we can do to incentivize folks to come to our state and have conversations about what actually is drawing people to Nebraska, one of the things that study after study has shown is that the actual benefit to families that do migrate to Nebraska doesn't come-- or to any state. A family migrating from one state to another, the largest benefit doesn't come from a tax reduction. It comes from reduced housing costs. And there have been economic study after economic study that have demonstrated that if you were to, for example, sell a house in L.A. and move to another state where you can buy a house that's exponentially cheaper. And from there, you know, you save money. You have a return on your, on your sale and you can,

you can pocket the rest of that. That ultimately, I think, is one of the things that benefits families, and that's absolutely correlated to the conversations we're having on a number of bills in here today. And so if the real goal of LB754 is to incentivize folks to move to Nebraska, I think that we should be doing our best to focus our efforts on things like reduction of housing costs, increasing affordable safe housing for individuals in Nebraska and ensuring that things like actual homeownership are obtainable not just for people who are first-time homeowners, but for people who are coming from out of state into the state of Nebraska. A lot of people are selling houses in, let's say, Denver that they're-- could buy here for half the price, and that is a huge windfall. And so the, the economic consideration that a lot of families make-- and again, I'm not just saying this. This is supported by data that we can talk more about if people have questions. But there have been studies that, that have shown-- from the CBPP, for example-- that the biggest benefit to individuals when they move to a place is likely going to be housing costs. So I think if our actual concern is trying to give the largest financial boon to families and specifically young families that move to Nebraska, we need to be doing everything we can in order to incentivize low housing costs. To finish up a little bit of that conversation that I was having too regarding the numbers here, reading from that report, they, they said that seven economists or groups of economists have published studies on state taxes and migration in peer-reviewed economic journals since 2000. So we're looking at seven peer-reviewed articles that look at hard data and numbers. Six of the seven studies concluded that taxes do not drive interstate moves. Eight additional studies on the impact of state taxes on migration that were not published in the academic journals have since been released in the same period. Six of those eight found that either the state income taxes had no effect on migration or that the effect was small or inconsistent. So between the multitude of studies there, I think it's clear to say that the vast majority of both peer-reviewed and nonpeer-reviewed but still semi-academic articles have concluded that a reduction in income tax, either individual or corporate, is not going to achieve the effect that people are talking about. They say that one study, for example, concluded that the effect of the new tax bracket, in that circumstance, the highest tax bracket, tax bracket, was negligible overall. Even among the top 0.1 percent of income earners, the new tax did not appreciably increase outmigration. The results from all analyses overwhelmingly find no credible effect of state income tax breaks on migration. So the reason I think that's worth noting is just--

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ARCH: One minute.

DUNGAN: --thank you, Mr. President-- is, is to put a button on a lot of what I've been saying here today with regard to numbers. And we can talk until we're blue in the face about how this is going to help make Nebraska competitive. I think there are other ways that we can make Nebraska more competitive, and I'm happy to talk about those ways when we're not necessarily talking about this bill. I, I want to try to keep my comments as focused on LB754 and specifically AM1047 as possible. But I'm happy to have conversations with my colleagues off the mike about ways that I think we can make Nebraska more competitive. What I do know is an agreement was reached previously to reduce the top income bracket to 5.84 percent. This amendment, AM1047, is simply sticking to that agreement. And again, colleagues, we can vote for this bill-- we can vote for this amendment, rather, and I think we can move on from this bill. We don't have to stay here till 9:00, so. I would just say that again. But thank you, Mr. President.

ARCH: Senator Linehan, you are recognized to speak.

LINEHAN: Thank you, Mr. President. OK, I-- I don't know. Is Senator John Cavanaugh, if he's here-- could I ask would Jenner-- Senator John Cavanaugh yield for a question?

ARCH: Senator Cavanaugh will you yield to a question? Senator John Cavanaugh.

J. CAVANAUGH: Yes.

LINEHAN: So you handed out OpenSky's little sheet here about who pays what in taxes, right?

J. CAVANAUGH: I did circulate it, yeah.

LINEHAN: Yeah. You know what's missing from this? Which I find-- you know, we've had that-- you and I back and forth about statistics. What, what is missing from this list of things here?

J. CAVANAUGH: I'm sure there's a number of things missing. I don't-- is there specific one I should--

LINEHAN: How much, how much, how much does the occupation, retired, first person filing-- married, filing jointly, how much do they pay in income taxes now?

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J. CAVANAUGH: Occupation, retired, married, filing jointly. Well, on that gross income, you're talking about, on their taxable income?

LINEHAN: Uh-huh.

J. CAVANAUGH: So-- well, they-- yeah. You're, you're probably pointing out that they would be in the-- married, filing jointly. They'd be in the lower bracket. That would not be-- would not get a tax cut.

LINEHAN: I'm pointing out the fact that none of these people show what they pay in taxes now. So were-- you were comparing something to nothing, which isn't a real comparison, right? I don't know what-- the occupation, construction. It says their taxable income is \$28,000. They gain \$80 here. But I don't know-- \$80-- what-- are they paying \$200 now? Are they paying \$300? What are they paying now?

J. CAVANAUGH: I mean, if you want to wait a minute, I could do the math.

LINEHAN: OK. Well, I don't want to-- no, I'm not going to burn up five minutes for you to do the math. I'm trying to make the point. Do you have any idea what these-- let's go over to the ones where they get \$9,570 in a tax break. How much are they paying now?

J. CAVANAUGH: Well, again, I'd have to do the math. I could do it, though.

LINEHAN: Well, I'd appreciate if you do the math because when you hand out statistics like this and they don't show what people are paying now, it's very hard to compare what their tax change would be. And on the occupation, finance-- one in the middle-- finance, stay-at-home parents, filing status: married, filing jointly. Dependents: ages 3, 7, 12. Following me? The one on the middle?

J. CAVANAUGH: The one in the middle. OK.

LINEHAN: Gross income: \$89,000. Taxable income: 80-- \$58,000. Tax change: \$170. In the package as introduced, is there not a \$1,000 tax credit? Wouldn't they get a \$1,000 tax credit for that child age 3?

J. CAVANAUGH: Well, I think this is a specific tax impact of the adjusted marginal tax rates.

LINEHAN: Well, that's not what this says. It says how LB754 could impact taxpayers in Nebraska. And currently, LB754 with the amendment includes a child tax credit.

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J. CAVANAUGH: Well, perhaps this was done before LB754 was amended with the whole package.

LINEHAN: OK. Thank you, Senator Cavanaugh. I hate to ask this question, but how much time do I have left?

ARCH: 1:30.

LINEHAN: Not enough. OK. I have a book. One of my new staffers this year groaned when I said, print me off everything OpenSky has put out about tax bills since I've gotten here. So here's from-- we'll start with 2019. Nebraska's high reliance on prop-- well, it just-- let me go to 2020. It's more current. Today's report-- they're talking about Forecasting Board-- isn't a full reflection of the budget playing-- paying we would like to see going forward.

ARCH: One minute.

LINEHAN: For example, there is a lag in the reporting of sales tax receipts and thus the impact-- the virus on sales taxes will become more apparent in the coming months. Also, while income tax receipts were significantly lower than projected for April due to the extension of the filing deadline, income taxes will most-- be most impacted in the next fiscal year as the effects of COVID-19 on employment and earnings are realized. The bottom line is we're probably in for a bumpy ride for the current biennium. Going forward, Nebraska would greatly benefit from a rapid, transparent mobilization of federal relief funds. This is in 2020 and I don't have-- hopefully, staff can get this for me-- what our revenues turned out to be in 2020. But trust me, it was not a bumpy ride-- bumpy, maybe, but it was all the way up.

ARCH: Time, Senator.

LINEHAN: Thank you.

ARCH: Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. OK. Senator Erdman is in here now so I'm going to talk about consumption tax again. So last year, Senator Erdman-- actually, Senator Erdman has had this bill a few different times, the consumption tax bill. And I've always found it to be kind of a fascinating idea and concept. And so last year, I actually voted for it. And I said earlier that it actually cost me a pretty penny in my reelection because the State Chamber and the Omaha Chamber invested a significant amount of money in opposition to me

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because of that vote. So, that was kind of fun. But I'm now looking at Senator Erdman's new EPIC tax cut. And I think it's his priority bill, LB79, if anybody wants to take a look. It has a 26-page fiscal note, Senator Erdman. Would you yield to a question?

ARCH: Senator Erdman, will you yield?

ERDMAN: Of course.

M. CAVANAUGH: How do you get a 26-page fiscal note?

ERDMAN: Say that again?

M. CAVANAUGH: You have a 26-page fiscal note.

ERDMAN: I know. It's great, isn't it?

M. CAVANAUGH: I've never seen that before. I always like to go straight to the fiscal note. This is the thing that Senator Riepe and I always talk about. And I was like, I don't know that I have time to read this whole thing before it's my next time in the queue, and I did not.

ERDMAN: I understand. It's almost, it's almost like my filibuster book over there has 4,000 pages.

M. CAVANAUGH: You could just filibuster with this bill. Can you give me sort of the boiler highlights of what the consumption tax is?

ERDMAN: Yes. Senator Cavanaugh, thank you for the question. What we did this year to make it different than what it has been, Senator, we have made an exemption of food. We've exempted food from being-- having a consumption tax because--

M. CAVANAUGH: You are a man after my heart there.

ERDMAN: --we, we thought that it would be far less regressive for low-income people. So we've exempted food. And we hear all the time that the consumption tax is so difficult and so regressive for low-income people. Let me give you an example. In our current system, anybody who buys used items has to pay sales tax because the difference between a consumption tax and a sales tax is a consumption tax is collected on the first item that somebody buys, they consume. And there's no consumption tax on used items. So my opinion is that low-income people buy more used items than people with a lot of money. And so currently under our system, low-income people pay the sales tax

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every time they buy something used. And under the consumption tax, they pay no sales tax, no consumption tax. So it's actually an advantage to those low-income people to have a consumption tax. And so--

M. CAVANAUGH: So what if you buy, like, used auto parts?

ERDMAN: Say that again?

M. CAVANAUGH: If you buy, like, used auto parts then to fix your car.

ERDMAN: There's no consumption tax on anything used--

M. CAVANAUGH: Oh.

ERDMAN: --no matter what it is. So they, they-- the best way to understand it is a consumption tax is paid by the first consumer only once. And there can only be one form of taxation on an item. You can't have an excise tax and a consumption tax-- one or the other. And any new items that you purchase for your own personal consumption have consumption tax. If you buy something for your business, there's no consumption tax because it's a business-to-business transaction.

M. CAVANAUGH: Does this--

ERDMAN: So it's an opportunity for us to have you, the taxpayer, decide how much taxes you want to pay and when you pay them by what you buy to consume.

M. CAVANAUGH: OK. Does this eliminate any other type of tax?

ERDMAN: This eliminates property tax, personal property tax, income tax for corporations and individuals and the most regressive tax ever known to man: inheritance tax. And the, and the sales tax will go away, go away and it'll be replaced with a consumption tax.

M. CAVANAUGH: I'm going to push back because I think the most regressive tax for me would be food, but we can agree to disagree on that one point.

ERDMAN: Well, what we did-- let me just say this. We had a prebate in the original version.

M. CAVANAUGH: So this doesn't--

ARCH: One minute.

M. CAVANAUGH: --have the prebate?

ERDMAN: And it was nearly impossible to explain and it was even more difficult to understand. And Senator Halloran came to me one day and said, we need to eliminate that to make it simple. And so what we had to do once we'd done that, we had to hire Beacon Hill Institute to do another dynamic study to show what the rate would be if we removed the prebate, which was about \$1.5 billion, and it lowered the rate from 8.97 percent to 7.23 percent. So that would be all you'd pay, is 7.23 percent. I would say the Cavanaugh family would probably save 80 percent of what they currently pay in taxes.

M. CAVANAUGH: OK. All right. Well, thank you. I appreciate the conversation.

ERDMAN: Thank you.

M. CAVANAUGH: I'm interested in how that interplays with this bill, and I think we'll probably continue that conversation. So, thank you. I'll get back in the queue.

ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I was sitting over here doing my homework, so I just thought I would share the results. So if you take a look at what you got there-- you need two pieces of paper to do your homework here. You've got the two handouts-- actually, they conveniently both have my initials and district number at the top: "How LB754 Could Impact Taxpayers of Nebraska" and the 2022 Nebraska Tax Calculation Schedule for Individual Income Tax. So if you take both of those, you can do the math and you can see-- we'll use the example of occupation, construction, filing single. So you go to the single file-- taxpayer and you look-- you have to look at taxable income. You go down to \$28,263. So you look at that and you have to go to-- OK. That puts you in the third bracket at 5.01 percent. And so then you take-- first, you have to subtract the \$20,590 from the \$28,263. So that leaves you with about \$8,000. And you multiply that by 5.01 percent, and that gives you \$384. You add that to the \$686. So that's how you get your first number, which is \$1,071. That's what that taxpayer would pay under the current structure. Under the new structure, you do all of that same math, but you take that second number, that about \$8,000, and you multiply that times 3.99 percent. Gives you \$306. So that's about \$80 less. It's actually \$78 less in taxes that that gentleman would pay, or lady would pay, under the bill as introduced. So I did that math for that one, for the occupation of

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stay-at-home parent, married, filing jointly. You can all do this yourself. You have the tools. I have confidence in every single one of you to be able to do this math, that you can do it. But to skip to the end, business owner, married, filing jointly; gross income, \$750,000; taxable income, \$569,000-- I would just point out that their taxable income is a-- almost \$200,000, \$181,000 below their gross income, which is about-- basically more money than anybody else on here other than the lawyer. And their tax change is listed as \$9,570. Now, I did this math two ways because, first off, you got to do the same thing. You go to married, filing jointly. You go to \$66,360. You got to subtract that from the 5,000-- \$569,000. And then you multiply that by-- I did 6.84 percent, but actually, the OpenSky folks gave the benefit of the implement-- full implementation of the previous tax policy of 5.84 percent. So if you do-- if you actually do-- down from the current tax bracket, it would be a tax cut of about \$14,000. But they gave it from the adjusted tax bracket of 5.84 percent, so that gets you tax-- total taxes paid under the current policy, about \$37,000. Taxes paid under the amendment would be about-- well, it's \$29,000 plus \$2,636, I think. So the math is doable. It's pretty easy, knowable. If I had better handwriting and I had more than five minutes, I probably could have done it in a way that would've-- easier to read. But the point is that we are-- under this policy, under this proposal, we're giving massive tax cuts to individuals who already have deductions in-- at the order of almost \$200,000. You're giving a huge tax cut to that individual and the same-- putting them in the same bracket as a construction worker earning--

ARCH: One minute.

J. CAVANAUGH: --20-- \$35,000 gross income, \$28,000 taxable income, and that person is getting a benefit of \$80 versus \$9,570. That's the problem in a nutshell. I know that there will be folks who say, yes, but that person pays \$37,000 in taxes, therefore they deserve a much larger break. But the question is, we're talking about what the state can afford and what is the best way to direct the expenditure of hundreds of millions of dollars. And there are more directed ways to give tax cuts to individuals earning in the, the area of \$28,000 for single, \$52,000 for joint, \$58,000 for joint, \$26,000 for single. There are ways to give those people more directed tax cuts that are not going to result in someone that's making taxable income of \$560,000, gross income of \$750,000, getting a \$9,000 tax cut. That's the point. So if you want help with the math, I'll be here, but it's pretty easy. Thank you.

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ARCH: Senator Dungan, you are recognized. And this is your last opportunity before your close.

DUNGAN: Thank you, Mr. President. So I still predictably rise in favor of my amendment, AM1047, and opposed to LB754 without the adoption of the amendment. And I, I want to take a step back here and talk a little bit about sort of the, I don't know, the complicated nature of taxes. That sounds kind of stupid and I know it might sound a little bit simplistic to talk about, but the fact that our tax structure is this complicated is in and of itself a problem. And I, I will be honest, I don't agree with the consumption tax. But, Senator Erdman, I do appreciate-- if he's still here-- I do appreciate the simplicity of it. I had a really, I think, good, generally enlightening conversation with Senator von Gillern earlier today about finan-- financial literacy and how problematic it is that people graduate from, you know, schools, high schools, elementary schools, whatever it may be, without certain financial literacy acumen. And I'll be the first to admit that when I first graduated high school, I had a hard time understanding a lot of these complicated factors. And as I got older and as I worked with more individuals who find themselves in certain situations, it became very evident that there is a very serious and very noticeable divide amongst the people who have the financial literacy, which usually is interconnected with means to find ways to-- not game the system. I'll take back what I said earlier-- but navigate the tax world in such a way that it's beneficial to them and the people who don't have the financial literacy or means sometimes to do that. And what I think is problematic is that in order to benefit from some of the positives and incentives and the things we have in our tax system, there needs to be a certain level of financial literacy. And if we sort of as a state fail to educate or provide that financial literacy to certain folks, I think that can be very problematic because what the end result of that is are people who essentially are, maybe unintentionally, but they're being taken advantage of by the system. And when you look at this, this, this worksheet, you know-- I know that there are-- you know, to Senator Linehan's points, there are certain things that aren't on there because we can't-- they can't encapsulate everything on a worksheet. But I do think it's a really good snapshot of the different effects that our tax system has, both on a 30,000-foot level and also a really nuanced level on lower-income folks. And one of the biggest complaints that I've always had is that I do feel like lower-income folks tend to get left behind on a more regular basis. I do not believe and I refuse to believe that anybody in this body is acting out of malice with regards to that. I think that, here, we are 49 senators who are doing our best to put our right

foot forward when it comes to taxes. And I, I believe Senator Linehan and von Gillern and everybody else who's, who's risen today that they genuinely believe that LB754 is intended to help Nebraska. I simply disagree with the fact that it will as it is currently written, as I don't believe there is a way that it's going to incentivize people to move here. And I fear that, as it's currently written, the massive amounts of the benefit of the program are going to go to folks who find themselves in the upper tax brackets or significantly in the upper tax brackets versus people who are lower income. And the amendment that I've proposed here is essentially just a pause. It is saying, listen, I understand that people are hurting. I understand people need more money in their pockets. I understand that families are struggling to get things done. And there's been a number of proposals this session to help working families. You know, Senator Bostar's is in there, but-- Senator Conrad had a really fantastic proposal. Senator John Cavanaugh had one regarding diaper tax credits. There's a number of tax credits and other proposals that have been proposed to help families. So, again, I think we are as a body working towards that, but--

ARCH: One minute.

DUNGAN: --thank you, Mr. President-- I just want to ensure that when we're talking about these things, we take folks into consideration who oftentimes get left behind. AM1047-- I've been ending with this every time in case somebody's listening each time that wasn't last time-- is a well-intentioned amendment. If you add that on, I think that we legitimately can cease debate on this, vote on that and move forward, move on to the next part of the divided question, and we can move off of this. It's not an amendment intended to sink anything. It's an amendment to reach compromise, as was the prior amendment, and I am hopeful my colleagues will listen to that and say we can reach some compromise and some consensus there and move forward. Thank you, Mr. President.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. Good evening, colleagues. Just had a opportunity to return to the Chamber after a family engagement and was listening to as much as I, I could from afar, but glad to hear a very substantive debate continuing on this important measure. So as I mentioned in a previous time on the mike-- and of course, it will be an experience that resonates with each of you-- as I was working hard on the campaign trail and talking to, you know, about 8,000 of my neighbors in north Lincoln, some of the, the top concerns that were

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brought forward, perhaps even more so than property tax relief or the acrimony in our politics, were-- was the failure of state government to deliver for working families. And of course, property taxes do play into that. But there was a great deal of, I think, dissatisfaction with the fact that we are enjoying revenues that are stronger than they have been in the past, but that those revenues are returned to the citizens in an inequitable way. And that folks who are working really hard to keep their head above water and grappling with a pinch at the pump and inflationary impacts to their grocery and other bills and grappling to pay with childcare are, are really barely hanging on, are working harder and harder than ever but are not able to get ahead or keep their head above water because of these other economic factors that really impact their family bottom line and the stress at their household. And I really feel like we can and we should do more to come together to deliver on working families' issues, on kitchen-table issues that impact the vast majority of America-- of Nebraskans. And, you know, I, I-- again, I think there are some really, really good pieces of this package. But I think the piece that is before us, particularly today in regards to the construct-- in, in regards to the corporate piece, is just a no-brainer for me. We absolutely need to have a competitive business environment, and we do. Study after study after study shows consistently that Nebraska is always at the top of the pack when it comes to a friendly-- a business-friendly environment, and, and that's a good thing. But who we're leaving out along the way as we continue to make additional tax cuts for the biggest corporations, many of them sited out of state, is we're leaving out low-income working families, whether they have children or not. And I-- again, I appreciate and understand that there is a small first step forward in regards to a child tax credit and addressing childcare issues, but don't forget for one second, friends, that that's a \$35 million piece of this \$1 billion package. That tells you everything you know-- need to know about how inequitable this package is. So if we can just moderate the corporate tax rate to provide more room and more opportunity for low-income families and working families, I think that we'd be able to find a better political consensus and we'd have a better policy outcome. I-- and I think, you know, Senator Linehan did a good job of providing some of the pieces that she found missing from one of the handouts in-- that's been provided today. But if you do look down, you can see that it does note that there would be at least one of these average Nebraska families that might benefit from that aspect of the childcare piece. But you will also see the asterisks that says "if available," and that's because this tax credit is capped at a very, very low number. So it's

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only going to help about 10,000, maybe 15,000 Nebraska families who otherwise--

ARCH: One minute.

CONRAD: --would have the income requisite to require for-- to qualify for that, that new piece there. So I think it is reflected on this handout from what I can see, but it does note how that is modest and it is very, very limited. And I appreciate you have to start somewhere, but I think we can and we should do more for working families. And I think when we don't move up and evolve and update the EITC and our child tax credit programs and things of that nature, it just widens that income inequality, which hurts us all. When we all do better, we all do better. And tax policy is one way to advance, I think, critical aspects of economic justice that impact all of our districts and help move our state forward. Thank you, Mr. President.

ARCH: Senator Jacobson, you are recognized to speak.

JACOBSON: Thank you, Mr. President. Just want to kind of remind everyone again that-- how did we get into this position? How did we end up with, as the Governor would say, bushel baskets and bushel baskets of cash? It's because somebody paid taxes. Senator Linehan laid out who paid those taxes. It's pretty clear who pays the taxes. So does it seem fair to you that the people that paid the taxes in shouldn't get that back? But instead, every time we run into this kind of a situation, it becomes a new welfare program. We're going to go dole the money out to somebody else and then we're going to continue to overcharge those same people and then wonder why they don't stay here, why we can't get more here. We have plenty of programs out there, many that are still on the docket, of bills that are coming that are going to provide targeted relief, targeted focus to people in need. That includes childcare, that includes tax credits, all of those things in bills that are coming up. But when it comes to tax policy, the Revenue Committee did a great job of building a model that makes sense. We need to pass that bill. We need to move the bill forward in its, in its current state and move it forward. It's fairness. I would also tell you that we need to continue to be focused on the idea that people are saying, what if it doesn't work? Folks, we've got bill-- over-- well over \$1 billion, well over \$2 billion, and we're going to have a huge amount in a cash reserve. So if it doesn't work, we have a cash reserve. We need to trust the projections. We need to trust the work that's been done by Fiscal. And we need to move forward and provide the tax relief that will provide the incentives for businesses to stay here, for high-income people to stay here, for others to stay

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here and move to Nebraska and locate here. This does work. The State Chamber is correct when they look at their modeling and how this really works. I see it in my everyday business. As a banker for 43 years, I understand how businesses think. If we want them here, we have to have a very strong tax climate that's competitive with those states around us. We are not there today. We can be with this bill. Let's pass this bill. Let's vote no on AM1047. Let's vote for the Revenue Committee amendment, pass the underlying bill. Thank you.

ARCH: Senator John Cavanaugh, you are recognized to speak. And this is your last opportunity.

J. CAVANAUGH: Oh, thank you, Mr. President. So-- well, I was kind of thinking about doing some more math, but I'm sure you guys are all tired. It's 7:50 at night. Doing more math maybe isn't the best way to have a conversation. But I did want to just point out in the just broader context of the conversation, we've had a lot of folks standing up and saying we need to give tax relief to the people who pay taxes. The individuals on this chart that I handed out, all are avatars, hypotheticals, right? But they're hypotheticals of real people. They're laying out lives that you can imagine-- people you might know, married, filing jointly; three children ages 12, 7, 3; gross income, \$89,000; taxable income, \$58,000. Their tax savings as a result of LB754, \$170. So that's a person who pays taxes, right? They, they're paying taxes. Occupation: construction; single; dependents, none; gross income, \$35,613; taxable income, \$28,263. Tax change, \$80, \$80 under this bill. That's a person that pays taxes. That's-- their change in taxes is \$8 [SIC]. Just because they don't pay as much as somebody else, doesn't mean they're not paying taxes. What you're meaning to say is we want to cut taxes on people who pay a lot in taxes and not the people who are earning less and scraping to get by and paying-- still paying taxes but just not paying as much. And this is not a welfare program or some sort of social safety net. This is tax policy. This is talking about finding a way to structure our tax policy that's going to allow working people, construction workers, farmers, trade workers to keep a little bit more money in their pockets from their taxes. These are your neighbors, your friends, the people in this body. That-- they are all taxpayers who pay taxes. They just don't pay as much as you think that they should or they aren't paying enough to pop on the radar of the individuals who are advocating for massive tax cuts for rich people. That's the problem when you make those distinctions. So you need to stop saying we give tax-- we need to give tax cuts to people who pay taxes. Yes, of course. You can't give tax cuts to people don't pay taxes, right? You can give lots of other things to them. But in this conversation, we

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were-- we started out the day talking about how to adjust the brackets in this so that the top bracket still got a pretty substantial cut and-- which I know Senator Linehan doesn't like OpenSky. They were opposed to that amendment that I proposed earlier, by the way. I don't know, maybe I should have said that when we were debating it. But they would have opposed that amendment and maybe they would have got me some street cred, I guess. But that proposal would have taken the top bracket down, so those highest earners, these folks making \$750,000, taxable income of \$560,000, paying \$37,000 in taxes. They would have still gotten a cut. It wouldn't have gone all the way down to \$20,000-- or, I'm sorry, 20-- \$22,000-- but they would have gotten a cut in taxes, pretty substantial one. And-- but the folks down at the other end would have gotten a cut as well. So what Senator Dungan's proposal here is is that we freeze the reduction that we all agreed to last year. And we-- I would hope that the next step, if we adopt AM1047, would be that we find a way to redirect the hundreds and thousands of dollars in saved revenue-- I'm trying to find the fiscal note here. Let's see. If--

ARCH: One minute.

J. CAVANAUGH: Thank you, Mr. President. If we froze it at the implementation, it would be somewhere around-- it looks like saving us maybe \$300 million. But yes-- it's hard to say, I guess. But that would free up that money that we could do a number of other things that I've talked about, like moving the brackets from, say, \$66,000 to \$100,000 for that middle bracket or that-- the \$41,000 up to \$50,000, \$70,000, and then raising the other one up to \$100,000. So there would be other options that would have to be followed up on top of AM1047. It just wouldn't serve the purpose of lowering that top line to a, you know, marquee number of below 4 percent. So that's why I'm in favor of AM1047. It's a step in the right direction, freezes up to make some other potential changes to the tax code. Thank you, Mr. President.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And again, good evening, colleagues. In my previous service in the Legislature, I was honored to be selected by my peers to lead the Small Business Innovation and Entrepreneurial Task Force, which helped to do a deep dive and a look at evolving and updating and reforming our various programs and policies in place to, to support and grow small businesses and, and entrepreneurs. And that was really exciting work to be a part of and working hand in glove with the business community and a host of other stakeholders across the state. It was definitely a wonderful learning

opportunity and I think it's healthy and important to continually research and check in to make sure that we are doing the best that we can do with the resources that we have to build a strong economy for all Nebraskans. And that includes, of course, small businesses and, and the large businesses that, of course, employ a lot of people in Nebraska at well-- as well and contribute to our overall economic bottom line and, and quality of life. But I, I do want to just kind of reaffirm exactly where we are with the amendment that's posted here, which, in essence is, is really just directed to that-- kind of moderating that, that corporate tax cut, which would be a massive tax giveaway primarily to large corporations, and many of them out of state. And it's, I think, a poor policy choice to put tax relief for large corporations, many of them sited out of state, over and above the needs of hardworking Nebraskans that are really getting pinched by inflation and at the pump and with childcare. And there's-- no wonder there is dissatisfaction with state government when we continue to see a failure to deliver for the middle and working class. So this doesn't do anything in terms of ramping up pressure on the corporate community. It, it just really maintains kind of the, the status quo and allows for more revenue to be dedicated to, to working families, perhaps, if, if the body were to decide that. And I think that makes sense for a lot of reasons. Again, it's well-established that Nebraska does have a very strong, business-friendly climate. A quick google search will show you that from any number of metrics. And you know very well, colleagues, that tax rates are a factor in determining the, the, the attitude of the political landscape towards business. But it also goes into account with culture and the availability and access to a high-quality education, cultural amenities, outdoor amenities, all of those different things that really go to ensuring a strong quality of life that help us recruit and retain top talent and recruit and retain top businesses in, in our state. If you look, for example, again at a quick google search, you can see that CNBC rates Nebraska as the seventh most competitive, most business-friendly state in the country. And that's just one ranking that I was able to find very, very quickly. And you all know how tricky this internet can be from time to time here. Taking into account things like tax rates, quality of life, overall infrastructure, red tape, a host of other factors that we know that businesses utilize when they're making site selections for where to start, grow--

ARCH: One minute.

CONRAD: --or expand their businesses as well. And taxes are absolutely a part of it, but they're not the only part of it. So I, I caution my colleagues to not be so myopic in terms of how they approach this

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issue and to be thoughtful about perhaps moderating just this component of a massive, massive tax package that primarily benefits the corporations and the upper class and work to find some consensus so that we can do a little bit more to help everyday Nebraskans get a little bit of breathing room as they're working harder and harder and falling farther and farther behind. That's-- that shouldn't be a political issue. This should be an issue that we can find a lot of consensus on because when we're able to do that, it takes so much pressure off of families, and it ultimately impacts and benefits us all. So I continue to support Senator-- my friend, Senator John Cavanaugh and Senator George Dungan's--

ARCH: Time, Senator.

CONRAD: --efforts in this regard and, and I hope you'll be open-minded as well. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Dungan, you are welcome to close on AM1047.

DUNGAN: Thank you, Mr. President. And thank you, colleagues, for having this conversation with us. As always, I appreciate actual conversation between people when they disagree about these things. I think it's helpful to hear differing opinions. I appreciate Senator John Cavanaugh and-- on all the conversations we've had and, and Senator Conrad and everybody else who's joined in. And I also really genuinely appreciate Senator Linehan and, and her answering questions and, and helping us understand her perspective on these things. I want to be very clear. I do not oppose the vast majority of the income tax package that has been proposed. And we've divided the question here, so we're talking about this particular component of LB754 as it pertains to the income tax and corporate tax reduction. At the end of this entire conversation, as I understand it, this is all going to snap back together and we're going to eventually take a vote on the ultimate bill as-- the ultimate package, rather, as it was proposed to the body today. There are parts of that that I struggle with, there are parts of that that I don't struggle with. But at the end of the day, I understand that the ultimate goal is making Nebraska a more competitive and a more-- I guess, just a better place to live. We want it to be the best place it can be for corporations, for people, for businesses, for small-town businesses. You know, the places up in my neighborhood in Havelock, we want to make this as good of a business environment, environment for them as possible. We also want to make it as good of a place to live as we can for the people who live down the street from me who have worked at the, you know, plant for the last

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however many years and they're making on average, aggregate \$70,000 a year. So we have to take everybody into consideration when we look at our taxes. The biggest issue that I've had with the income tax and corporate tax reductions is not just that we're reducing them down to 3.99 percent, but it's that it's happening so quickly in a time and period that we're also ramping up significant spending. And I have concerns that are not based in fantasy. They are based in reality. They're based in data that ultimately we're going to find ourselves in a situation five, six years from now, when hopefully I'm still here, and there's going to be a time where we have to consider, are we going to raise taxes or are we going to cut the services that we promised? And that's a lose-lose situation for Nebraskans. That is a lose-lose situation for the folks in this body. And it's a place that I don't want to put us in. And so I am not opposed to this for no reason. I'm opposed to this because I have legitimate concerns based on data that I've seen that the projections are not accurately reflecting some of how things are going to be in the outyears. This amendment, AM1047, is, again, attempted to be-- attempting to be, rather-- a compromise. All of the conversations we've had so far here today on LB754 since we started this debate-- and I said this before and Senator Cavanaugh on his amendment said this-- they're actual compromise bills that if folks were to vote for, I think we could legitimately come to some agreement on LB754, proceed with Senator von Gillern's amendment on the rest of this package and then move forward. And all that people have kind of talked about for the last 50 days or so that-- when they've complained about things is, oh, I just wish that we could have some compromise and I wish we could move along and find some amendments that we could finally agree on and, and get some things done. And I-- I'm hesitant to-- I'm not frustrated. I don't want to say I'm frustrated by it because this has been a really good debate, but I, I do think this has been a missed opportunity for this body to come to some consensus. And in a world where a tax reduction from where we are today down to 4.99 percent on the prior bill or down to 4.84 percent on this amendment is still representative of a significant tax reduction that still increases our potential competitiveness, if that's a thing that you think matters with competitiveness. But folks have been unwilling to agree on that, and I find that a little surprising because there's been a couple of olive branches--

ARCH: One minute.

DUNGAN: --handed out-- thank you, Mr. President-- a couple of olive branches handed out here today. And so, colleagues, I'd encourage you to take a look at this amendment. I'd encourage you to take a look at

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the bill. Please remember that when we look at this, the LB754, as it's currently written, benefits the top 1 percent, folks who make \$630,000-- or, more than most. Their average tax cut's going to be \$284,000-- or, I'm sorry-- \$2,844, whereas the lowest 60 percent really get 0 percent average tax cut. So, trying to make things a little bit better for the working folks who are paying attention at home. We just want to kind of try to help out. Thank you, Mr. President.

ARCH: Senators, the motion before the body is the adoption of AM1047. There has been a request to place the kouse- the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 23 ayes, 2 nays to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Vargas, Dover, McKinney, Clements, Wayne, Erdman, Riepe and Geist, please return to the Chamber. The house is under call. Senators McKinney, Vargas, Clements, Wayne, Erdman and Geist, please return to the Chamber. The house is under call. Senators Clements, Senator Erdman, please return to the Chamber. The house is under call. All unexcused members are now present. Roll call vote has been requested. Mr. Clerk.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood. Senator Bostar not voting. Senator Bostelman. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer not voting. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson not voting. Senator Geist voting no. Senator Halloran voting no. Senator Hansen. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt not voting, Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell. Senator McKinney not voting. Senator Moser. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas not voting. Senator von Gillern voting. Senator Walz not voting. Senator Wayne not voting.

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Senator Wishart voting no. Vote is 6 ayes, 29 nays, Mr. President, on the adoption of the amendment.

ARCH: The amendment is not adopted. Mr. Clerk. Raise the call.

CLERK: Mr. President, Senator von Gillern would offer AM1066 to LB-- excuse me-- to AM1063.

ARCH: Senator von Gillern, you're welcome to open on your amendment.

von GILLERN: Thank you, Mr. President. I rise to present AM1066 to LB754. AM1066 would change the provisions relating to the taxation of partnerships when filing an amended return. It would allow the partnerships to elect to make any tax payments owed in any outstanding payments based on the amended return on behalf of the partners. All taxes are paid. There is no revenue impact to this change. The bill came out of the Banking, Commerce and Insurance Committee [SIC-- Revenue Committee] with an 8-0 vote. It's only five pages. It's very simple. And a revised fiscal note on February 6 cleared up some earlier confusion with the bill stating that the Department of Revenue originally estimated that an additional F-- 0.5 FTE revenue clerk to process the amended returns would be needed. However, in its updated response on February 3, the DOR has eliminated the expenditures estimated for a revenue operations clerk and believes that the savings from this bill from the elimination of data entry to individual amended returns will offset the noted additional costs. Due to this offset, the Department of Revenue estimates that it will have minimal fiscal impact. I would argue that it'll actually be a net positive fiscal impact because of the reduced number of returns that the Department of Revenue will need to deal with. The short version of this bill is if a partnership receives a \$1,000 tax bill or tax credit and has 100 partners, under current statutes, each one of those partners would need to file an amended return for \$10 each. Under this bill, the partnership can file that return on behalf of the partners. I'd be happy to address any questions on that. That is my presentation for AM1066. Thank you, Mr. President.

ARCH: Debate is now open on AM1066. Senator Dungan, you are welcome to speak.

DUNGAN: Thank you, Mr. President. Colleagues, I-- actually, I rise in favor of AM1066. The reason that I wanted to speak briefly on this-- I'm not trying to take too much time. This is a good example-- and Senator von Gillern pointed this out. There's a number of things that go through the Revenue Committee-- that go through all these

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committees, obviously-- that ultimately pass out of committee 8-0. We see a number of things come through with no opposition. We see a number of things that come through that are commonsense, good governance bills-- excuse me. This was a circumstance, which I'll admit is sometimes rare in Revenue, where folks on both sides of the political spectrum came in and testified in favor of it, having commentary from time to time about the best way to do it. But there were folks who came in and spoke in favor of this bill. This, I think, speaks to what I was just talking about on the microphone, which is that there are probably more things in this package that I agree with than I don't. And that's not to say that I love everything. It's not to say that I think everything in this package is what I would propose as a bill. But one of the things that we were taught when we come into this body from the very beginning is that compromise is integral and that, oftentimes, compromise means that we have to say yes to things we don't necessarily agree with and say no to things that we might agree with, and I understand that. That's part of the reason that this question has been split, right? With LB754, there are issues we have with it that are legitimate and valid, and there are problems with that bill as it was written that I have. And so that's why those amendments took the majority of the afternoon and evening today. It's not to say that we're, you know, wanting to not lower taxes for folks, but I think it's important that people understand that when we do rise with problems, they're legitimate. On any of these bills. People who are rising on any bill has a legitimate issue with that bill. And I think that it's important that we give people that voice and it's important we give people time to express their concerns. But I just wanted to take a moment to, to let von-- Mr.-- or, Senator von Gillern know that I do support this. This did come 8-- come out 8-0. I would tell my colleagues to support this amendment as well. I am happy to talk to folks off the mike about why I support it more if need be. But I just wanted to step in and say that there are parts of this bill we all support and that's why when we do raise concerns about the parts we don't, we'd appreciate being listened to and definitely would appreciate some compromise going forward. Thank you, Mr. President.

ARCH: Senator Slama, you are recognized.

SLAMA: Thank you, Mr. President. And to echo Senator Dungan's comments, I too support Senator von Gillern's amendment. It's a commonsense, highly technical Banking-- well, partnership amendment that came out 8-0, very noncontroversial. And I wholeheartedly support this amendment being attached. So I'd encourage you all to vote green on this particular AM.

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ARCH: Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I would wonder if Senator von Gillern would yield for a question.

ARCH: Senator von Gillern, will you yield to a question?

von GILLERN: Yes, I will.

J. CAVANAUGH: Thank you, Senator. How did you get the AM number?

von GILLERN: How did I get the AM number?

J. CAVANAUGH: Yeah. How did you get AM1066?

von GILLERN: I submitted the amendment and the number was assigned. I had nothing to do with the selection of the number.

J. CAVANAUGH: OK. Well, thank you, Senator von Gillern. So I-- the reason I asked that question is I got AM66-- or, AM666, and everybody gave me a hard time about it. And I wanted AM1066 today. I got AM1068. And the reason I wanted AM1066 is it's the anniversary of the-- William the Conqueror, the Battle of Hastings, the last time England was successfully invaded. And just as a callback to yesterday, my son William's birthday was yesterday, and I refer to him as William the Conqueror. So I just thought that it was-- when I saw it up there, I was a little-- I was disappointed that I just missed out. I must have submitted my request right after you did, so. And I, I did read the-- look at the committee statement from-- I think it was LB206, which is the actual underlying bill. Is that correct, Senator von Gillern? As long as you're still standing there taking questions. And it looks like it's-- this looks like a good bill, a good amendment. I appreciate you bringing it. And as-- to echo Senator Dungan's comments, there is more in this bill to like than to dislike, including AM1066. So I would be voting green on AM1066. And I just-- it's luck of the draw is probably the answer. Thank you.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And again, good evening, colleagues. I rise in support of Senator von Gillern's amendment. And I just want to note for the record one really important thing that's happening here. And I'm, I'm glad that Senator Slama, as Chair of Banking, had a chance to, to kind of flag it as well. And Senator von Gillern was very clear in providing the body kind of a, a quick update about the procedural process that his measure went through that finds itself

before us now as AM1066. There has been different approaches by different bodies over the years about how you put together different packages and how you interpret a germaneness rule and a single-subject rule. And I think, overall, this is an excellent example of working creatively to find vehicles to move measures forward, even if they weren't before the Revenue Committee, where LB754 emanated, but rather before the Banking Committee [SIC-- Revenue Committee]. But of course, it has a nexus to the subject matter in the underlying legislation. So it's no surprise to anybody with a very limited amount of time left and very limited amount of vehicles left. I think that this is going to be the year for packages and Christmas tree bills and omnibus bills, perhaps more so than in other years. And I don't think that that's necessary-- necessarily a bad thing because I think it will help us to forge consensus. I think by broadening our lens, we'll have an opportunity to put together ideas where maybe everybody likes a little bit of it, maybe everybody dislikes a little bit of it. But that kind of approach can help us to foster consensus, compromise and collaboration, which I know we're all sorely missing in this legislative session. So I just wanted to note: earlier in this session, Senator Lowe put an amendment on Senator Lippincott's bill that was never discussed in the Revenue Committee-- or, in the Executive Session of the Government Committee to really substantively change a measure that he had. And the body adopted it. And it was good policy, and it was a bold procedural move. Senator von Gillern is using a creative procedural move, I think, to put together thoughtful policy as part of this vehicle, this package that's moving. And I think it's going to be a model to help us forge a path forward together. So I just wanted to note that for the record and stand in support of the measure. Thank you, Mr. President.

ARCH: Senator Albrecht, you're recognized to speak.

ALBRECHT: Thank you, Mr. President. I rise in favor of the AM1066. I brought my notes up from the committee hearing and Jay Ferris [SIC-- Jim Stewart] from Farm Bureau, along with the Nebraska Corn Growers, Nebraska Soybean Association, many-- representing many of the farmers and ranchers throughout the state. He basically said in his testimony that LB206, which would now be LB1066 [SIC-- AM1066], would bring Nebraska's tax rules more in line with the federal rules. This would allow the partnership to have the option to pay the adjusted Nebraska income tax rather than passing the tax obligation out to each of its partners. In doing so, this would avoid the filing of multiple amended returns in partnerships with many individuals. In the possibility of a multiyear amended return, this could result in significant savings in the cost of preparing and processing these returns. And again, in

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2017, the federal partnership tax audit rules were modified so that if a partnership adjusted-- adjustment occurred, the partnership would pay the deficiency rather than each of the individual partners. Some states have adopted rules like the federal rules, while, to date, Nebraska has not. In Nebraska, if an entity filing as a partnership needs to amend their Nebraska income tax return, the partnership is required to push out the adjusted tax and have each individual partner also file an amended return. For that reason, again, I support AM1066. Thank you.

ARCH: Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Oh. Thank you, Mr. President. I was going to ask Senator von Gillern to yield to a question. Would Senator John Cavanaugh yield to a question?

ARCH: Senator John Cavanaugh, will you respond to a question?

J. CAVANAUGH: I will try.

M. CAVANAUGH: Well, you might not know. I, I missed the bill number of the-- that this [INAUDIBLE] amendment. Do you, do you--

J. CAVANAUGH: Oh, yes. The original bill I think was LB206.

M. CAVANAUGH: OK. Thanks for that. I just wanted to look up-- I always like to look at the fiscal notes of all of the bills and-- I know, right? So LB206, I'm going to look at that fiscal note. That was really my only question for Senator von Gillern. Thank you, Senator Cavanaugh, for answering it for me. So I'm going to just take a look at that, but. I have some more things to say about this bill, but I think I'll get back to that later. Thank you. I'll yield the remainder of my time to the Chair.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And I wanted to just quickly rise when it came to my attention how wrong I was and to apologize to the body and provide a quick correction for the record. I seized upon Senator von Gillern's opening without doing my due diligence and looking at the committee statement, and he was gracious and kind enough to point out that piece. But nevertheless, while I definitely was wrong in terms of where the bill emanated from-- and I apologize for any confusion in that regard-- I nevertheless do believe that we should think creatively and broadly about finding opportunities to find synergies across jurisdictional committees to help us build

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successful, thoughtful, robust packages on different areas moving forward-- whether that's tax, whether that's criminal justice, whether that's health and human services, whether that's education. Of course, we already have some significant packages that have been put together in relation to various aspects of our tax policy and our education policy. But I, I do think that the special, unique, challenging circumstances that we find ourselves in at this point in this session should provide us perhaps the flexibility and the opportunity to think more broadly about, about forging some, some broader packages, which can be, be helpful to using our remaining time together. So I apologize for the mistake and not doing my due diligence, and I appreciate and respect my friend Senator von Gillern's kind, gracious attempt to provide updated information and clarity off the mike. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. OK. So I did-- I was able to look at the fiscal note. Would Senator von Gillern yield to a question?

ARCH: Senator von Gillern, will you yield to a question?

von GILLERN: Yes.

M. CAVANAUGH: Thank you. So your bill had no opposition, no fiscal note. Congratulations on both of those things.

von GILLERN: Thank you.

M. CAVANAUGH: I just was wondering why it wasn't included in the committee amendment. Were there too many bills already in the package? I know we're trying to limit the number that we're putting in packages. Or-- maybe if you could illuminate that a little bit.

von GILLERN: It was, it was a bit of a late add to the, to the, to the bill. Is that your question?

M. CAVANAUGH: Yeah. I mean--

von GILLERN: Yeah. And--

M. CAVANAUGH: --there was no opposition, so.

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von GILLERN: Yeah. Senator John Cavanaugh pointed out by the, by the amendment number obviously went in behind his, which I had no idea that that was such a significant number, but I appreciate his--

M. CAVANAUGH: I didn't either.

von GILLERN: --appreciate his history lesson. And I do want to apologize to, to the body and to Senator Conrad. I misspoke in my opening statement.

M. CAVANAUGH: OK.

von GILLERN: Said that this came out of the Banking, Commerce and Insurance Committee when it actually came out of the Revenue Committee, so. One of the first fatalities of a late-night session on my part. So, my apologies.

M. CAVANAUGH: OK. Thank you. That was-- I was just looking for a little bit of clarification. I appreciate you bringing this bill. It seems like a pretty decent add-on to the full package, so thank you. I yield the remainder of my time.

ARCH: Seeing no one left in the queue, Senator von Gillern, you are welcome to close on AM1066.

von GILLERN: Thank you. Just a quick comment. Again, my apologies for misspeaking earlier. I, I thank my colleagues for their kind comments and backing behind what certainly appears to be a good governance bill. And I would ask for your green vote on AM1066. Thank you.

ARCH: Senators, the motion before the body is the adoption of AM1066. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 1 nay to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators McKinney, Clements, Wayne, Erdman, Geist, please return to the floor. The house is under call. Senators McKinney, Clements, Wayne, Erdman, please return to the floor. The house is under call. All unexcused members are now present. All those in favor of AM1066 vote aye; opposed, nay. Mr. Clerk, please record.

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CLERK: 40 ayes, 1 nay on the adoption of the amendment.

ARCH: AM1066 is adopted. Next item, Mr. Clerk.

CLERK: Mr. President.

ARCH: Raise the call.

CLERK: Mr. President, the next item: AM1070 from Senator DeBoer to AM1063.

ARCH: Senator DeBoer, you are welcome to open on AM1070.

DeBOER: Thank you, Mr. President. Good evening, colleagues. I am now going to do a amendment that involves a lot of numbers late at night, one of my favorite things to do. Yay! So what Senator Linehan's LB754 does, as you all know, since we've all been here-- as a recap, is it brings the top rate and the second-to-top rate-- which, confusingly enough, we call the third and the fourth-- down to 3.99 percent. So over a period of time, it phases it in. They both come down to 3.99 percent. Mine would say that this tier three, then after they both get to 3.99 percent, goes, boop, to 3.75 percent. So it takes the top rate down like it always does. It takes the middle rate across. And then when the top rate gets down to it, they go down, like Senator Linehan is. The only difference is that after Senator Linehan's bill has fully phased in-- this is several years hence-- it will take the second-to-top rate down so that there is a-- then it will be-- the top rate will be 3.99 percent, the second-to-top rate will be 3.75 percent and then the third-to-top rate will be 3.51 percent, which is where it currently stands and where it will stay throughout the remainder of Senator Linehan's bill. What this will do is it will add an additional tax cut for everyone who makes either in the, the tier three or tier four tax rates. So that's-- most of our Nebraska earners will get in that amount. So it's anyone in Nebraska-- and I have some numbers here. So the, the bottom part of that rate for merit, merit-- married, filing jointly is \$53,500. So if you're married, filing jointly and you make \$53,000 to married, filing jointly, top of that is at \$73,700. So if you make between \$53,000 and \$74,000, then you're squarely in the middle of that second tax rate. And this would allow you to have a lower amount-- percentage amount that you pay on your income in that second array. Now, why would I want to do this? Well, I would want to do this because, first of all, I don't want to have our tax code be super regressive, which-- I'm not saying it is. I'm saying this is helping it to be even less regressive. And because over last year and this year, when we're talking about income taxes, when we

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we're talking about income taxes last year, we did not lower that rate from 5.01 percent, which is where it was at the beginning of last year and where it is at now. We did not lower that one at all. We lowered the top rate and we did not lower that one. Under this bill, we will lower the top rate again to more percentage points, roughly, and only one percentage point for this rate. So that means that the top earners in Nebraska are in a tax bracket that was lowered by about 3 percent, all in between these two years. And these middle earners-- I'm not going to say middle class because I don't know what that is. Nobody knows what that is-- but these people who make between \$53,500 and \$73,700 with the standard deduction, they will be only getting 1 percent. So basically, we're giving three times the tax cut over these two years to folks in the top bracket, and we are now only going down 1 percent for that second bracket. And I think-- well, first of all, I'm not saying let's give everybody the same amount of tax cuts. I mean, there's an interesting argument to be made for that, everybody gets the same amount. But I'm not saying that. I'm saying top rate gets 3 percent and then this rate, the second rate, gets 1.25 percent. Not all the way, but it still builds in a difference between our top rate and our second rate. That's what I would like to do. Now, the amendment that you have before you, AM1070, is not quite written right because the way that Senator Linehan's LB754 phases in these tax cuts is it has the top rate coming down with no change at all to the second rate until a couple of years from now when the top rate meets the second rate, and then they will both come down together. So this bill would start to phase it in sort of evenly over time on the second rate too. But we're not going to do that. I'm going to have a different amendment that would bring the rate down at the end, do the little boop at the end. Because if I bring it in-- if I lower the-- this middle earner-- income earners, if I lower them at a kind of consecutive rate, that's going to be more money. Because what we're doing is we're, we're making sure that our top rate gets down as quickly as possible, even if that means we're not bringing down our second-to-top rate as quickly. Now, last year, if you had somebody who was making about \$20 an hour-- that's a good job-- the income tax cut that they would have gotten annually was about \$12. Not a lot. It doesn't really get you-- well, maybe you can buy a pizza these days for that. So I feel like there is a real need to look at folks, especially as we have inflation in Nebraska, in this whole country, whole world, to say we understand people who are making between \$53,500 and \$73,700-- they're working hard. We want to recognize that they should get a tax cut too, that we want to give those folks a tax cut too. Now, if you're in-- you're single, the bottom of the tax, tax-- the bottom of the rate would be \$25,000 to \$36,000. So this is

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for people making \$25,000 to \$36,000 if they are single, and this is \$53,000 to \$74,000 if they're married, filing jointly. You add a kid in, it adds a little bit, but not much. So that's roughly the group of people that we're talking about. Last year, we talked about, what is the median income of Nebraska? And it turns out that in-- it kind of depends on how you're calculating the median income and whether you're single or married, filing jointly. But it's kind of around the break between these two tax brackets for a lot of folks between where our median income is. So what we're saying is we've got about roughly 50 percent of the people in Nebraska that we'd like to provide a little more income tax relief to because, well, that makes sense to me. This also, of course, would mean that if you're in the top rate, if you were in the top tax bracket, if you're making \$100,000, you also get a little bit more; \$200,000, \$300,000, you also get a little bit more because we have marginal tax rates. So for your income that's between these levels, you'll get a little bit additional tax cut. So this would bring a lot of people-- married, filing jointly, if you're making \$5,000-- \$53,500 or more, this would give you a little more. Now, the next question you're going to ask me is, what does it cost? And the answer is we're figuring that out, but we think roughly around \$30 million, \$35 million per year once it's fully implemented. So that's the cost once it's fully implemented, we think, and we're waiting to see for sure while that gets--

ARCH: One minute.

DeBOER: --put through the, the various machines that figure it out. So that's my amendment. I think it's important to preserve a progressive tax code with a difference between the top and the second-to-the-top rate. I think that people who are making between \$53,000 and \$73,000 deserve as much of a tax cut as we can give them. Senator von Gillern talked about how-- give the people their money back, and I agree with him. And I think it would be especially good if we gave the money back to lots of different people. So there are some folks who won't be getting so much because they don't make in those-- in that top tax bracket. So I would like to give them a little bit more of a tax cut so that we're balancing our tax cuts so that people who are getting, under Senator Linehan's bill, maybe 2 percent, then these other folks could have 1.25 percent. It's not 2 percent, but it's--

ARCH: Time, Senator.

DeBOER: --a little bit more. Thank you, Mr. President.

ARCH: Senator Dungan, you are recognized to speak.

DUNGAN: Thank you, Mr. President. Colleagues, on 1070-- on AM1070, I, I, I frankly don't know how I feel about it. I had a conversation with Senator DeBoer about this beforehand, so this is not a surprise to her, but I do have reservations. I, I want to start by sort of saying I agree with the general theory and theme of AM1070. When you have multiple tax brackets, I think it is fundamentally fair to ensure that each of those tax brackets are differentiated from one another. And what I mean by that essentially is you shouldn't have people paying the same in two different chunks of their income. So I agree with Senator DeBoer that we do need to have a graduated tax system. My hesitation comes in that everything I've talked about so far today, which is that LB754 has the top tax bracket at 3.99 percent and then it had the one below that at 3.99 percent, AM1070 adopts 399, or, 3.99 percent, as the top tax bracket and then goes even lower than that. So while I fundamentally believe that working folks and middle-income earners should be paying less and they should be the focus of our tax policy, I have some general concerns based on what I stated earlier, which is that I'm worried about our financial situation in the future. That if we enact AM1070, we're going to find ourselves in an even bigger hole. And in a world where we continue to pledge money to things like education funds or tax credit funds, whatever those appropriations may be, my generalized concern remains that we're not going to have the money to do it down the road (a) as is or (b) in the event of an economic downturn. And so while I agree with the theme of AM1070, being that we need to ensure that middle-income and lower-income earners are the ones we focus on the most with our tax policy, my fear is we set a precedent within AM1070 that we just continue to race to the bottom with regards to income tax brackets. So one of the benefits of a graduated income tax system is that it is inherently progressive, right? We, we, we've talked a lot today. Even Senator Machaela Cavanaugh was asking questions of Senator Erdman regarding the regressivity of certain taxes, how a food tax is incredibly regressive and how other taxes can be incredibly regressive. And so one of the things that income tax contemplates is multiple brackets in an effort to be as progressive as possible. And for those watching at home, that's not progressive as in liberal or conservative. That's progressive as in it changes as money goes up. And so I'm all in favor of that, and I think that we as a body should be in favor of a progressive tax structure. But again, I know we're-- it's getting late. We're getting close to the time here, I think. But I want to make sure that I just voice my concerns. I don't know how I would vote on AM1070 at this juncture. I don't know if adopting AM1070-- I, I don't think adopting AM1070 addresses my concerns about LB754 in and of itself, given the fact that LB754 continues to have

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3.99 percent as the top tax rate even with the amendment, AM1070. And again, the projections that I am thinking of and that I'm concerned says that puts us in a deficit, so-- or, not a deficit, but it puts us in a precarious situation moving forward, the General Fund essentially being depleted of money if some of the projections that we've seen aren't as sunshiny or, or rosy as maybe some think they are. So with that, I would urge my colleagues to seriously consider AM1070. In a world where we are worried about our financial situation moving forward, just consider what a further reduction, even on the tier three of the tax brackets, would do to our, our system. But I do rise in--

ARCH: One minute.

DUNGAN: --thank you, Mr. President-- general support of the idea that lower-income earners should be the focus of what we are focusing on with regards to tax, tax policy. Thank you, Mr. President.

ARCH: Senator Jacobson, you are recognized to speak.

JACOBSON: Thank you, Mr. President. And I hate to run on-- rain on Senator DeBoer's parade here, but I understand the concerns raised to lower all other brackets. But let's remember again that we have a full tax package coming. This is one piece of it, LB754. What we also have is we have property tax cuts coming. And keep in mind, Senator Linehan made that very clear earlier that the goal of this body-- and I will tell you in order to get the package passed, there will be property tax cuts equal to the income tax cuts. And quite frankly, I'm not sure how we're going to get there, given where we are today. But I can assure you that getting to 3.99 percent ultimately on the high end of the income tax side is critically important to business and growth in our economy and growing jobs. I can also tell you that every, every person in this state-- I will get emails on this. That's fine. I got them last year, but I'm going to tell you everyone lives in some kind of shelter and there's property taxes being paid on that particular shelter, whether it's an apartment and you're a renter or whether you own your house. Property taxes are being assessed on that facility. And if you're a renter, I will guarantee you you're paying rent that offsets some property taxes that the owner of that property is paying. So you indirectly are paying property taxes and you will indirectly benefit-- actually, you will directly benefit from reductions in property taxes on that piece of property. As a homeowner, you will benefit from property tax reductions. As a farmer and a rancher, you will absolutely benefit from property tax reductions. That's all I heard the last couple of years and that's all I'm going to continue to

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hear because I understand that firsthand. Property taxes are too high and we absolutely are going to have to reduce those and we're going to need the funding to do it. And we're not going to have extra dollars after we make the income tax adjustments. So I trust the Revenue Committee in terms of the work that they've done. I'm going to be unwilling to vote for anything that's going to change where we're at right now on the income tax side until I see what the property tax package looks like to ensure that the property tax reductions are there. And then I'm prepared to move the, move the plan forward. But right now, we, we're-- we shouldn't be looking for more places to reduce income tax rates. They're coming down substantially. Now we need to focus our efforts on property taxes. Thank you, Mr. President.

ARCH: Senator Wayne, you are recognized to speak.

WAYNE: Thank you. I thought it was important since we're taking just a little bit of time and I want to get to this vote before we leave here tonight, that if the "EMP" hits, I want to make sure we have an accurate record of what happened when we opened this debate. So Senator DeBoer's right and left hand were slightly above her face. And when she said bloop, the right hand dropped down just a little bit lower than the left hand and that's what you couldn't see after the "EMP" hits and you can't see the, the actual debate. So I want to make sure I transcribed that part of the record because we don't always get to do that. Lastly, before I yield my time to Senator DeBoer, we're talking about taxes. We're not talking about the game. We're talking about taxes. See, I'm a franchise player in this, in this place and we ain't here talking about the game. We're talking about taxes. OK. That was my Allen Iverson impression. I'll yield the rest of my time to Senator DeBoer.

ARCH: Senator DeBoer, 3:50.

DeBOER: Thank you, Mr. President. And thank you, Senator Wayne. I did not think about describing my boop for the transcribers. I'm glad that that has been taken care of. It's late at night. If you are reading this, future nerdy senator, it's 8:51 right now. So, Senator Jacobson talked about this is a package. We've heard Senator Linehan talking about it as a package. I understand this is a package, but this is my opportunity for my constituents to get some discussion and some say and some argument and some purchase in the conversation around the development of this package. I do not serve on the Revenue Committee. I am very grateful that we have such a good Revenue Committee, but I don't serve on that committee. I still have constituents. They still have individual and unique needs, and it is my opportunity now to

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get-- to try to help shape the package for tax cuts, particularly in this case, income tax cuts. I will assure you, Senator Jacobson, that I also am interested in property tax cuts. This does-- this is not mutually exclusive. I mean, we're all talking about them all moving together anyway. What I am saying is that there is a class of folks that I think deserve some tax cuts, that those folks are not getting proportionately as many tax cuts by any means, and that that population of folks between \$50,000 and \$73,000-- or if you're single, \$28,000 to \$36,000-- that they also deserve tax cuts. And what I am doing is attempting to put in my argument for that. Now, we often-- I remember Senator Friesen, Senator Flood, Senator Machaela Cavanaugh-- whenever the budget comes forward, that comes kind of as a whole cloth piece. And then we sort of talk about it and we have some input in it because that's our opportunity to have some input. Well, this is my opportunity to have some input. And I think we ought to not just do the top two rates exactly the same. I think we ought to give more tax cuts to those folks in that particular class of revenue-- or, income earning. I, I do--

ARCH: One minute.

DeBOER: I do-- thank you, Mr. President. I do give deference to the Revenue Committee in this. The Revenue Committee, working in conjunction with the Fiscal Office, working in conjunction with the Governor's Budget Office, working in conjunction with the Appropriations Committee, has suggested that this is sustainable. Now, I will tell you, I am not confident that it is sustainable, but I just spent last week saying, let's listen to the experts. So this week, I'm going to listen to the experts and I'm going to trust If they say it's sustainable, somehow it's going to be sustainable. Certainly the piece that I am adding in is not going to affect the sustainability of it. It's not even 1 percent, I don't think. So the sustained-- sustainability-- maybe it's 3 percent, actually. I'm doing the math quickly in my head. The sustainability is not affected by this. I trust the Revenue Committee in conjunction with all these other folks to--

ARCH: Time, Senator.

DeBOER: --come up with that. Thank you, Mr. President.

ARCH: You may continue on your own time. You're next in the queue.

DeBOER: Thank you, Mr. President. That's convenient. So when I defer to the Revenue Committee, it's on those sorts of issues. But I also

think that this is not particularly rocket surgery-- and yes, I said rocket surgery-- when we're thinking about-- again, future nerdy senator, it's 8:55-- when we're thinking about what the tax rates are in terms of having a difference between the top tax rate and the second-to-top tax rate, when we're thinking about we have given or we will have given, if this passes, 3 percent tax cuts to the top rate and 1 percent to folks who find themselves within this tax bracket. So we are giving three times as much-- granted, over two different bills over two different years-- to the top rate, to the second-to-the-top rate, and that disturbs me. I think that folks within this income bracket deserve to have tax cuts that are at least a little bit closer to the same percentage that the folks who are at the top are getting. These folks in the middle are our teachers. They are plumbers. They are just regular folk. Like-- they make more money than us, yes, but regular folk who are earning a nice wage. That's OK. You can live on it. And they ought to have a tax break too, just like the, the people who have a little more flexibility to move to Florida if they want to, I guess, the people who have a lot of money. And there are people in the top bracket because our brackets are, are pretty low when you switch from, from middle-- or the second one to-- it's technically the third one because they count from the bottom-- from the third one to the top one. But the folks in this are-- I think we can all agree-- part of the middle class. These are folks who, in some cases, are making about the median income for people of their filing status. And I'm saying, let's not forget them. Let's make sure that when we are giving our tax cuts, that although, yes, OK, we're giving more to the top folks because I guess, you know, we need to, to make sure that, that their rate is lower in order to be competitive for the, the wealthier folks. But then for this group, we should also have some tax cuts and we ought to do a little more than what we're doing here so that, in the end, we do not have these two rates at the same place. That would mean that everyone who was making-- married, filing jointly-- \$53,000 or more was paying the same rate. Everyone in the state making \$53,000, married, filing jointly. That's a whole lot of people all paying the same rate. I think there ought to be differentiation. I think that progressivity in a tax code is a good thing. It's not very progressive, 0.25 percent difference between the top rate and the second-to-top rate. It's not very progressive. It's certainly not as progressive as, as we were when we started this last year when there was 6.84 percent, I believe, to 3.99 percent. That's a significant difference between where the top rate went down to where this second rate is, from 6.84 percent to 5.01 percent to now 3.99 percent to--

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ARCH: One minute.

DeBOER: --3.75 percent. There's not a lot of difference between those two numbers. There is much more difference, which means it was much more progressive before we started this. We're still making our tax code a lot more regressive. We're just making it slightly less more regressive with this amendment. So I'm sure we'll have to talk about this some more tomorrow. I see it's 8:59, so we'll talk about this again tomorrow morning. Thank you, Mr. President.

ARCH: Mr. Clerk.

CLERK: Thank you, Mr. President. Some items. Motions to be printed from Senator Cavanaugh to LB754, Senator Conrad to LB683, Senator Geist to LB683, Senator Cavanaugh to LB243 and Senator Briese to LB243. Additionally, name adds: Senator Raybould to LB14, Senator Vargas to LB111, Senator Raybould to LB256 and LB362. Senator McDonnell to LB562 and Senator Raybould to LB565. Finally, Mr. President, priority motion: Senator Geist moved to adjourn the body until Thursday, March 30, 2023, at 9:00 a.m.

ARCH: Senators, you've heard the motion to adjourn. All those in favor say aye. Opposed, nay. We are adjourned.