

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenue Committee March 24, 2023

von GILLERN: [RECORDER MALFUNCTION]. I'll go through the preamble. Welcome to the Revenue Committee's public hearing. My name is Brad von Gillern. I'm a Senator from Legislative District 4 in Elkhorn in west Omaha. I represent District 4, again. I serve as, I serve as the Vice Chair of this committee. I need to rewrite my own script. The committee will take up the bills in the order they were posted outside the hearing room. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. We do ask that you limit handouts. If you're unable to attend a public hearing and would like your position stated for the record, you may submit your position and any comments using the Legislature's website by 12 p.m. the day prior to the hearing. Letters emailed to a senator or staff member will not be a part of the permanent record. If you're unable to attend and testify at a public hearing due to a disability, you may use the Nebraska Legislature's website to submit written testimony in lieu of in-person testimony. To better facilitate today's proceeding, I ask that you follow these procedures: please turn off all cell phones and electronic devices. The order of testimony will be the introducer, proponents, opponents, neutrals and the closing remarks. If you'll be testifying, please complete the green form and hand it to the committee clerk when you come up to testify. If you have written materials that you'd like distributed to the committee, please hand them to the page to distribute. We need 11 copies for all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. Please be concise. It's my request that you limit your testimony to one minute. And we will use the light system. [LAUGHTER].

ALBRECHT: One minute?

LINEHAN: I agree.

von GILLERN: Seeing the bulk of testifiers, we'll go three minutes. Yellow will tell you you have one minute remaining. If your remarks were reflected in previous testimony or if you would like your positions to be known but do not wish to testify, please sign the white form at the back of the room. It will be included in the official record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. I'd like to introduce committee staff. To my immediate left is research analyst Charles Hamilton. To the far left is committee clerk Tomas Weekly.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenue Committee March 24, 2023

Committee members with us today will introduce themselves, beginning at my far right.

KAUTH: Kathleen Kauth, LD 31.

MURMAN: Dave Murman, District 38.

BOSTAR: Eliot Bostar, District 29.

ALBRECHT: Joni Albrecht, District 17.

von GILLERN: Thank you. And if our pages would stand. And we want to give thanks to you for serving us well-- [APPLAUSE]. Landon is a senior at UNL in political science. And Caitlyn [PHONETIC], who's been faithfully with us the whole hearing season, who's a junior at UNL in political science. Thank you. Where's Amelia today?

CAITLYN CROFT: [INAUDIBLE].

von GILLERN: All right. Please remember that senators may come and go during our hearing, as they may have bills to introduce in other committees. Refrain from applause-- well, we just blew that one-- or other indications of support or opposition. For our audience, the microphones are not for amplification, but for recording purposes only. Lastly, we use electronic devices to distribute information. Therefore, you may see committee members referencing information on their electronic devices. Be assured that your presence here today and your testimony are important to us and are a critical part of our state government. And with that, we will open. And we're going to do three bills together. We'll open on LB694 [SIC-- LB369], LB387 and LB388. And welcome, Senator Linehan.

LINEHAN: Thank you, Vice Chair von Gillern and members of the Revenue Committee. I am Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n, and I am from Legislative District 39, which is Elkhorn and Waterloo in Douglas County, Nebraska. Today, I am here to introduce LB369, LB387 and LB388. LB369, LB387 and LB388 are vehicles for use to package tax legislation later in the session. These bills can be considered at a later date by the committee for advancement to the floor. So these are normally called shell bills. So if we go through this session and we get to the end and we have to make adjustments-- two of these bills have been prioritized by the Speaker, so we will have a package that we can use, which is what we didn't have last year and why Senator Friesen got to own the bill. So, with that, I will answer any questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenue Committee March 24, 2023

von GILLERN: Any questions from the committee? Seeing none. Will you stay to close?

LINEHAN: Certainly.

von GILLERN: Thank you. We'd like to welcome up proponent testimony.
[LAUGHTER].

ALBRECHT: Almost got him.

von GILLERN: Yeah. Knew I was going to get you on that one.

JOEY ADLER RUANE: You're good.

von GILLERN: Seeing no proponents, we will welcome up opponent testimony. Welcome.

JOEY ADLER RUANE: Good afternoon, Vice Chair von Gillern and members of the Revenue Committee. For the last time this year, I'm Joey Adler Ruane, J-o-e-y A-d-l-e-r R-u-a-n-e, and I am the policy director at OpenSky Policy Institute here to testify in opposition to LB387 and LB388 because we're concerned any potential changes made may increase the regressivity of Nebraska's tax code. Nebraska already has an overall regressive tax code. That means low- and middle-income families in the state pay a greater portion of their income taxes than higher income Nebraskans. Income taxes are one in tax-- are the one tax in Nebraska that are progressive, as the marginal rate increases as one's income increases, and we offer credits for low-income Nebraskans, like the Earned Income Tax Credit. However, legislation enacted last year and the legislation being debated this year will reduce the progressivity of the income tax code by flattening out this graduated rate structure. Graduated rates ensure income taxes increases the ability to pay increases. They are-- they also ensure a fair and sustainable revenue stream for the state, and we support maintaining it or even graduating it further. When states have flat or more aggressive income tax structures, they tend to rely more heavily on sales and consumption taxes, which fall harder on the lowest paid workers who pay a greater share of their income in those taxes than income taxes. Thanks for your time. Happy to answer any questions.

von GILLERN: Thank you for your testimony. Any questions from the committee? Seeing none.

JOEY ADLER RUANE: Have a good weekend.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenue Committee March 24, 2023

von GILLERN: Thank you for your testimony, Mr. Adler Ruane. Any other opponent testimony? Seeing none. Anyone like to testify in the neutral position? Seeing none. Senator Linehan, would you like to close?

LINEHAN: Unless you have questions.

von GILLERN: Senator Linehan waives closing.

TOMAS WEEKLY: One letter.

von GILLERN: We have one letter in opposition to LB369. 0 proponents and 0 neutral testifiers, so.