

**EIGHTY-FIRST DAY - MAY 16, 2003****LEGISLATIVE JOURNAL****NINETY-EIGHTH LEGISLATURE  
FIRST SESSION****EIGHTY-FIRST DAY**

Legislative Chamber, Lincoln, Nebraska  
Friday, May 16, 2003

**PRAYER**

The prayer was offered by Senator McDonald.

**ROLL CALL**

Pursuant to adjournment, the Legislature met at 9:00 a.m., Senator Cudaback presiding.

The roll was called and all members were present except Senators Erdman, Redfield, and Schimek who were excused; and Senators Aguilar, Brashear, Brown, Cunningham, Maxwell, and Raikes who were excused until they arrive.

**CORRECTIONS FOR THE JOURNAL**

The Journal for the eightieth day was approved.

**REPORTS**

The following reports were received by the Legislature:

**Investment Finance Authority**

2002 Series A, B, C, D, E and F Community Development Loan Notes  
(City of Lincoln Program-2002)

Single Family Housing Revenue Bonds Series 2000 EFG and General  
Obligation Bonds Series 2000 G.O.-11

Single Family Housing Revenue Bonds Series 2002 DEF

**Roads, Department of**

State Highway Inventory Supplemental Report for the 2002 State Highway  
Needs Assessment

**MOTION - Approve Appointment**

Senator Smith moved the adoption of the Government, Military and Veterans Affairs Committee report for the confirmation of the following appointment found on page 1806:

State Personnel Board  
Mary C. Colacurci

Voting in the affirmative, 27:

Baker	Engel	Louden	Quandahl	Tyson
Burling	Friend	Mines	Schrock	Vrtiska
Byars	Janssen	Mossey	Smith	Wehrbein
Chambers	Jones	Pedersen, Dw.	Stuhr	
Combs	Kremer	Pederson, D.	Stuthman	
Cudaback	Kruse	Preister	Thompson	

Voting in the negative, 0.

Present and not voting, 13:

Beutler	Connealy	Hudkins	Landis	Synowiecki
Bourne	Foley	Jensen	McDonald	
Bromm	Hartnett	Johnson	Price	

Excused and not voting, 9:

Aguilar	Brown	Erdman	Raikes	Schimek
Brashear	Cunningham	Maxwell	Redfield	

The appointment was confirmed with 27 ayes, 0 nays, 13 present and not voting, and 9 excused and not voting.

### SELECT FILE

**LEGISLATIVE BILL 754.** Senator McDonald withdrew her pending motion, found on page 1597, to recommit to committee for a public hearing.

Senator McDonald withdrew her pending amendments, AM1681, AM1794, AM1791, AM1788, AM1790, AM1793, AM1792, AM1789, AM1787, and AM1786, found on pages 1668 and 1676.

Senator Chambers renewed his pending amendment, AM1964, found on page 1873.

Senator Chambers withdrew his amendment.

Senator Bromm renewed the Bromm et al. pending amendment, AM1969, found on page 1873.

The Bromm et al. amendment was adopted with 39 ayes, 0 nays, 6 present and not voting, and 4 excused and not voting.

Senator Beutler asked unanimous consent to be excused until he returns. No objections. So ordered.

Advanced to E & R for engrossment.

**LEGISLATIVE BILL 208.** E & R amendment, AM7094, found on page 1113, was adopted.

Senator Kruse asked unanimous consent to withdraw his pending amendment, AM1632, printed separately and referred to on page 1584, and replace it with his substitute pending amendment, AM1774, printed separately and referred to on page 1675. No objections. So ordered.

Senator Foley withdrew his pending amendments, AM1690 and AM1776, found on pages 1594 and 1677.

Senator Kruse withdrew his pending amendment, AM1692, found on page 1595.

Senator Synowiecki withdrew his pending amendments, AM1684 and AM1777, found on pages 1597 and 1675.

Senator Foley renewed his pending amendment, AM1806, found on page 1699, to the Kruse pending amendment.

Senators Beutler and McDonald asked unanimous consent to be excused until they return. No objections. So ordered.

Senator Tyson moved the previous question. The question is, "Shall the debate now close?" The motion prevailed with 29 ayes, 0 nays, and 20 not voting.

The Foley amendment was adopted with 31 ayes, 1 nay, 13 present and not voting, and 4 excused and not voting.

Pending.

### **SELECT COMMITTEE REPORTS** **Enrollment and Review**

#### **Correctly Reengrossed**

The following bill was correctly reengrossed: LB 540.

#### **Correctly Engrossed**

The following bills were correctly engrossed: LBs 574 and 574A.

ER9069

## Enrollment and Review Change to LB 574

The following changes, required to be reported for publication in the Journal, have been made:

1. In the E & R amendments, AM7131, on page 42, line 19, "9-812," has been struck; and in line 20 ", and section 9-812, Revised Statutes Supplement, 2002, as amended by section 1, Legislative Bill 367, Ninety-eighth Legislature, First Session, 2003" has been inserted after "2002".

2. On page 1, line 2, "and" has been struck.

(Signed) Ray Mossey, Chairperson

**SELECT FILE**

**LEGISLATIVE BILL 208.** Senator Bourne asked unanimous consent to bracket until January 21, 2004. No objections. So ordered.

Senators Brashear and Cunningham asked unanimous consent to be excused until they return. No objections. So ordered.

Senator Kruse asked unanimous consent to be excused. No objections. So ordered.

**LEGISLATIVE BILL 303.** E & R amendment, AM7100, printed separately and referred to on page 1265, was adopted.

Senator Byars renewed his pending amendment, AM1365, found on page 1319.

**SENATOR VRTISKA PRESIDING**

Senators Aguilar, Engel, Janssen, Kremer, Landis, McDonald, Schrock, and Tyson asked unanimous consent to be excused until they return. No objections. So ordered.

**SENATOR CUDABACK PRESIDING**

Senators Jones and Vrtiska asked unanimous consent to be excused. No objections. So ordered.

Senator Smith asked unanimous consent to bracket LB 303 until January 7, 2004. No objections. So ordered.

**SELECT COMMITTEE REPORTS**  
**Enrollment and Review**

**LEGISLATIVE BILL 760.** Placed on Select File as amended.  
E & R amendment to LB 760:

AM7139

1 1. In the Brashear amendment, AM1946, on page 1, line  
2 12, strike "Operations and".  
3 2. On page 1, strike lines 2 through 7 and insert  
4 "33-106, 33-138, 42-720, and 48-191, Reissue Revised Statutes of  
5 Nebraska, and sections 24-703, 25-21,223, 25-2221, 25-2921,  
6 29-3920, 29-3921, 29-3930, 29-3931, 49-1203, 76-1442, and 83-4,125,  
7 Revised Statutes Supplement, 2002; to create a fund; to require  
8 continuing education and training; to provide for an advisory  
9 committee; to increase and provide for fees; to change judges'  
10 retirement provisions; to provide duties for the State Court  
11 Administrator; to change powers and duties of the Commission on  
12 Public Advocacy; to provide for nonjudicial days; to provide powers  
13 for the Chief Justice; to harmonize provisions; to repeal the  
14 original sections; and to declare an emergency."

**LEGISLATIVE BILL 760A.** Placed on Select File as amended.  
E & R amendment to LB 760A:

AM7138

1 1. On page 2, lines 2 and 3, strike "Operations and".

**Correctly Engrossed**

The following bills were correctly engrossed: LBs 759 and 759A.

ER9070

Enrollment and Review Change to LB 759

The following changes, required to be reported for publication in the Journal, have been made:

1. In the Landis amendment, AM1745:  
a. On page 3, line 1, "are" has been struck and "is" inserted; and  
b. On page 13, line 10, the stricken "(2)(a)" has been reinstated, the new matter has been struck, "or" has been inserted after the second comma, and ", or (e)" has been struck and shown as stricken; in line 11 the new matter has been struck and "8 of this act until January 1, 2004, and the services defined in subdivision (8)(a), (b), (d), or (e) of section 8 of this act beginning on January 1, 2004" inserted; in line 12 the stricken matter has been reinstated and the new matter has been struck; in line 13 the new matter has been struck and "8 of this act until January 1, 2004, and subsection (9) of section 8 of this act beginning on January 1, 2004" inserted; in line 18 the stricken "(4)" has been reinstated and the new matter

has been struck; and in line 19 the new matter has been struck and "8 of this act until January 1, 2004, and services defined in subsection (10) of section 8 of this act beginning on January 1, 2004" inserted.

2. In the E & R amendments, AM7114:

a. Section 19 and all amendments thereto have been struck and

"Sec. 25. Sections 10, 13, 16, 19, 20, and 27 of this act become operative on January 1, 2004. The other sections of this act become operative on October 1, 2003." inserted;

b. On page 5, line 15, an underscored comma has been inserted after "earnings";

c. On page 19, line 4, "services that are" has been struck, shown as stricken, and "service that is" inserted; and in lines 9, 16, and 17 "77-2702.07" has been struck, shown as stricken, and "8 of this act" inserted;

d. On page 40, line 15, "section" has been struck, shown as stricken, and "subsection" inserted; and

e. On page 41, line 8, "section" has been struck and "subsection" inserted.

3. On page 1, lines 2 through 15 and all amendments thereto have been struck and "53-160, 77-2702.05, 77-2704.07, 77-2704.23, 77-2704.33, and 77-27.132, Reissue Revised Statutes of Nebraska, sections 77-2101.03, 77-2602, 77-2701, 77-2701.02, 77-2702.03, 77-2702.13, 77-2702.17, 77-2715.02, 77-27,222, and 77-4008, Revised Statutes Supplement, 2002, sections 77-2702.07, 77-2702.14, 77-2703, 77-2704.26, and 77-2705, Revised Statutes Supplement, 2002, as amended by sections 20, 36, 48, 58, and 70, respectively, Legislative Bill 282, Ninety-eighth Legislature, First Session, 2003, and sections 49 and 60, Legislative Bill 282, Ninety-eighth Legislature, First Session, 2003; to change provisions relating to alcohol taxes, estate taxes, cigarette taxes, sales and use taxes, income taxes, child care tax credits, and tobacco products taxes; to provide penalties; to harmonize provisions; to provide operative dates; to provide severability; and to repeal the original sections." inserted.

4. Sections have been renumbered and internal references corrected to reflect all adopted amendments.

(Signed) Ray Mossey, Chairperson

## STANDING COMMITTEE REPORT

### Revenue

**LEGISLATIVE BILL 596.** Placed on General File as amended.

Standing Committee amendment to LB 596:

AM1977

1 1. Strike the original sections and insert the following  
2 new sections:

3 "Section 1. Section 77-2716, Revised Statutes

4 Supplement, 2002, is amended to read:

5 77-2716. (1) The following adjustments to federal

6 adjusted gross income or, for corporations and fiduciaries, federal

7 taxable income shall be made for interest or dividends received:

8 (a) There shall be subtracted interest or dividends  
9 received by the owner of obligations of the United States and its  
10 territories and possessions or of any authority, commission, or  
11 instrumentality of the United States to the extent includable in  
12 gross income for federal income tax purposes but exempt from state  
13 income taxes under the laws of the United States;

14 (b) There shall be subtracted that portion of the total  
15 dividends and other income received from a regulated investment  
16 company which is attributable to obligations described in  
17 subdivision (a) of this subsection as reported to the recipient by  
18 the regulated investment company;

19 (c) There shall be added interest or dividends received  
20 by the owner of obligations of the District of Columbia, other  
21 states of the United States, or their political subdivisions,  
22 authorities, commissions, or instrumentalities to the extent  
23 excluded in the computation of gross income for federal income tax  
24 purposes except that such interest or dividends shall not be added  
1 if received by a corporation which is a regulated investment  
2 company;

3 (d) There shall be added that portion of the total  
4 dividends and other income received from a regulated investment  
5 company which is attributable to obligations described in  
6 subdivision (c) of this subsection and excluded for federal income  
7 tax purposes as reported to the recipient by the regulated  
8 investment company; and

9 (e)(i) Any amount subtracted under this subsection shall  
10 be reduced by any interest on indebtedness incurred to carry the  
11 obligations or securities described in this subsection or the  
12 investment in the regulated investment company and by any expenses  
13 incurred in the production of interest or dividend income described  
14 in this subsection to the extent that such expenses, including  
15 amortizable bond premiums, are deductible in determining federal  
16 taxable income.

17 (ii) Any amount added under this subsection shall be  
18 reduced by any expenses incurred in the production of such income  
19 to the extent disallowed in the computation of federal taxable  
20 income.

21 (2) There shall be allowed a net operating loss derived  
22 from or connected with Nebraska sources computed under rules and  
23 regulations adopted and promulgated by the Tax Commissioner  
24 consistent, to the extent possible under the Nebraska Revenue Act  
25 of 1967, with the laws of the United States. For a resident  
26 individual, estate, or trust, the net operating loss computed on  
27 the federal income tax return shall be adjusted by the  
1 modifications contained in this section. For a nonresident  
2 individual, estate, or trust or for a partial-year resident  
3 individual, the net operating loss computed on the federal return  
4 shall be adjusted by the modifications contained in this section  
5 and any carryovers or carrybacks shall be limited to the portion of

6 the loss derived from or connected with Nebraska sources.

7 (3) There shall be subtracted from federal adjusted gross  
8 income for all taxable years beginning on or after January 1, 1987,  
9 the amount of any state income tax refund to the extent such refund  
10 was deducted under the Internal Revenue Code, was not allowed in  
11 the computation of the tax due under the Nebraska Revenue Act of  
12 1967, and is included in federal adjusted gross income.

13 (4) Federal adjusted gross income, or, for a fiduciary,  
14 federal taxable income shall be modified to exclude the portion of  
15 the income or loss received from a small business corporation with  
16 an election in effect under subchapter S of the Internal Revenue  
17 Code or from a limited liability company organized pursuant to the  
18 Limited Liability Company Act that is not derived from or connected  
19 with Nebraska sources as determined in section 77-2734.01.

20 (5) There shall be subtracted from federal adjusted gross  
21 income or, for corporations and fiduciaries, federal taxable income  
22 dividends received or deemed to be received from corporations which  
23 are not subject to the Internal Revenue Code.

24 (6) There shall be subtracted from federal taxable income  
25 a portion of the income earned by a corporation subject to the  
26 Internal Revenue Code of 1986 that is actually taxed by a foreign  
27 country or one of its political subdivisions at a rate in excess of  
1 the maximum federal tax rate for corporations. The taxpayer may  
2 make the computation for each foreign country or for groups of  
3 foreign countries. The portion of the taxes that may be deducted  
4 shall be computed in the following manner:

5 (a) The amount of federal taxable income from operations  
6 within a foreign taxing jurisdiction shall be reduced by the amount  
7 of taxes actually paid to the foreign jurisdiction that are not  
8 deductible solely because the foreign tax credit was elected on the  
9 federal income tax return;

10 (b) The amount of after-tax income shall be divided by  
11 one minus the maximum tax rate for corporations in the Internal  
12 Revenue Code; and

13 (c) The result of the calculation in subdivision (b) of  
14 this subsection shall be subtracted from the amount of federal  
15 taxable income used in subdivision (a) of this subsection. The  
16 result of such calculation, if greater than zero, shall be  
17 subtracted from federal taxable income.

18 (7) Federal adjusted gross income shall be modified to  
19 exclude any amount repaid by the taxpayer for which a reduction in  
20 federal tax is allowed under section 1341(a)(5) of the Internal  
21 Revenue Code.

22 (8)(a) There shall be subtracted from federal adjusted  
23 gross income an amount equal to the difference between the amount  
24 qualified for calculation of a deduction as provided in section  
25 162(l) of the Internal Revenue Code and the amount actually allowed  
26 pursuant to section 162(l)(1) of the Internal Revenue Code.

27 (b) For an individual who itemized deductions on his or

1 her federal return, the maximum amount subtracted under subdivision  
2 (8)(a) of this section shall be seven and one-half percent of  
3 federal adjusted gross income.

4 (9)(a) Federal adjusted gross income or, for corporations  
5 and fiduciaries, federal taxable income shall be reduced, to the  
6 extent included, by income from interest, earnings, and state  
7 contributions received from the Nebraska educational savings plan  
8 trust created in sections 85-1801 to 85-1814.

9 (b) Federal adjusted gross income or, for corporations  
10 and fiduciaries, federal taxable income shall be reduced, to the  
11 extent not deducted for federal income tax purposes, by the amount  
12 of any gift, grant, or donation made to the Nebraska educational  
13 savings plan trust for deposit in the endowment fund of the trust.

14 (c) Federal adjusted gross income or, for corporations  
15 and fiduciaries, federal taxable income shall be reduced by any  
16 contributions as a participant in the Nebraska educational savings  
17 plan trust, not to exceed five hundred dollars per married filing  
18 separate return or one thousand dollars for any other return.

19 (d) Federal adjusted gross income or, for corporations  
20 and fiduciaries, federal taxable income shall be increased by the  
21 amount resulting from the cancellation of a participation agreement  
22 refunded to the taxpayer as a participant in the Nebraska  
23 educational savings plan trust to the extent previously deducted as  
24 a contribution to the trust.

25 (10)(a) For income tax returns filed after September 10,  
26 2001, federal adjusted gross income or, for corporations and  
27 fiduciaries, federal taxable income shall be increased by  
1 eighty-five percent of any amount of any federal bonus depreciation  
2 received under the federal Job Creation and Worker Assistance Act  
3 of 2002 or the federal Jobs and Growth Tax Act of 2003, under  
4 section 168(k) or section 1400L of the Internal Revenue Code of  
5 1986, as amended, for assets placed in service after September 10,  
6 2001, and before ~~September 11, 2004~~ December 31, 2005.

7 (b) For a partnership, limited liability company,  
8 cooperative, including any cooperative exempt from income taxes  
9 under section 521 of the Internal Revenue Code of 1986, as amended,  
10 subchapter S corporation, or joint venture, the increase shall be  
11 distributed to the partners, members, shareholders, patrons, or  
12 beneficiaries in the same manner as income is distributed for use  
13 against their income tax liabilities.

14 (c) For a corporation with a unitary business having  
15 activity both inside and outside the state, the increase shall be  
16 apportioned to Nebraska in the same manner as income is apportioned  
17 to the state by section 77-2734.05.

18 (d) The amount of bonus depreciation added to federal  
19 adjusted gross income or, for corporations and fiduciaries, federal  
20 taxable income by this subsection shall be subtracted in a later  
21 taxable year. Twenty percent of the total amount of bonus  
22 depreciation added back by this subsection for tax years beginning

23 or deemed to begin before January 1, 2003, under the Internal  
24 Revenue Code of 1986, as amended, may be subtracted in the first  
25 taxable year beginning or deemed to begin on or after January 1,  
26 2005, under the Internal Revenue Code of 1986, as amended, and  
27 twenty percent in each of the next four following taxable years.

1 Twenty percent of the total amount of bonus depreciation added back  
2 by this subsection for tax years beginning or deemed to begin on or  
3 after January 1, 2003, may be subtracted in the first taxable year  
4 beginning or deemed to begin on or after January 1, 2006, under the  
5 Internal Revenue Code of 1986, as amended, and twenty percent in  
6 each of the next four following taxable years.

7 (11) For taxable years beginning or deemed to begin on or  
8 after January 1, 2003, under the Internal Revenue Code of 1986, as  
9 amended, federal adjusted gross income or, for corporations and  
10 fiduciaries, federal taxable income shall be increased by the  
11 amount of any corporate dividend excluded from income due to any  
12 federal law enacted after May 1, 2003.

13 Sec. 2. Section 77-2716.01, Revised Statutes Supplement,  
14 2002, is amended to read:

15 77-2716.01. (1) Every individual shall be allowed to  
16 subtract from his or her income tax liability an amount for  
17 personal exemptions. The amount allowed to be subtracted shall be  
18 the credit amount for the year as provided in this section  
19 multiplied by the number of exemptions allowed on the federal  
20 return. For tax year 1993, the credit amount shall be sixty-five  
21 dollars; for tax year 1994, the credit amount shall be sixty-nine  
22 dollars; for tax year 1995, the credit amount shall be sixty-nine  
23 dollars; for tax year 1996, the credit amount shall be seventy-two  
24 dollars; for tax year 1997, the credit amount shall be eighty-six  
25 dollars; for tax year 1998, the credit amount shall be eighty-eight  
26 dollars; for tax year 1999, and each year thereafter, the credit  
27 amount shall be adjusted for inflation by the method provided in  
1 section 151 of the Internal Revenue Code of 1986, as amended. The  
2 eighty-eight-dollar credit amount shall be adjusted for cumulative  
3 inflation since 1998. If any credit amount is not an even dollar  
4 amount, the amount shall be rounded to the nearest dollar. The  
5 amount allowed for each personal exemption shall be reduced, but  
6 not below zero, by five dollars for each five thousand dollars, or  
7 portion thereof, that federal adjusted gross income exceeds ninety  
8 thousand dollars for married filing joint returns, fifty-four  
9 thousand dollars for single returns, seventy-five thousand dollars  
10 for head-of-household returns, and for married filing separate  
11 returns, one-half the amount stated in this subsection for married  
12 filing joint returns. For nonresident individuals and partial-year  
13 resident individuals, the personal exemption credit shall be  
14 subtracted as specified in subsection (3) of section 77-2715. For  
15 tax year 1994 and each tax year thereafter, the income levels  
16 stated in this subsection shall be adjusted for inflation by the  
17 method provided in section 151 of the Internal Revenue Code of

18 1986, as amended. If any income level in this subsection is not a  
 19 multiple of one thousand dollars, the amount shall be rounded to  
 20 the next highest multiple of one thousand dollars.

21 (2)(a) For tax years beginning or deemed to begin before  
 22 January 1, 2003, under the Internal Revenue Code of 1986, as  
 23 amended, every individual who did not itemize deductions on  
 24 his or her federal return shall be allowed to subtract from federal  
 25 adjusted gross income a standard deduction equal to the federal  
 26 standard deduction for the filing status used on the federal return  
 27 except as the amount is adjusted under section 77-2716.03.

1 (b) For tax years beginning or deemed to begin on or  
 2 after January 1, 2003, and before January 1, 2004, under the  
 3 Internal Revenue Code of 1986, as amended, every individual who did  
 4 not itemize deductions on his or her federal return shall be  
 5 allowed to subtract from federal adjusted gross income a standard  
 6 deduction based on the filing status used on the federal return  
 7 except as the amount is adjusted under section 77-2716.03. The  
 8 standard deduction shall be (i) for single taxpayers four thousand  
 9 seven hundred fifty dollars, (ii) for head of household taxpayers  
 10 seven thousand dollars, (iii) for married filing jointly taxpayers  
 11 seven thousand nine hundred fifty dollars, and (iv) for married  
 12 filing separately taxpayers three thousand nine hundred  
 13 seventy-five dollars.

14 (c) For tax years beginning or deemed to begin on or  
 15 after January 1, 2004, the standard deduction amounts in  
 16 subdivision (2)(b) of this section shall be adjusted for inflation  
 17 by the method provided in section 151 of the Internal Revenue Code  
 18 of 1986, as amended. If any amount is not a multiple of ten  
 19 dollars, the amount shall be rounded to the next highest multiple  
 20 of ten dollars except that the standard deduction for the married  
 21 filing separately taxpayers may be a multiple of five dollars.

22 (3) Every individual who itemized deductions on his or  
 23 her federal return shall be allowed to subtract from federal  
 24 adjusted gross income the greater of either the standard deduction  
 25 allowed in subsection (2) of this section or the amount before the  
 26 federal disallowance of his or her federal itemized deductions,  
 27 except for the amount deducted on the federal return for state or  
 1 local income taxes paid and the amount of any adjustment required  
 2 under section 77-2716.03.

3 Sec. 3. Original sections 77-2716 and 77-2716.01,

4 Revised Statutes Supplement, 2002, are repealed."

(Signed) David Landis, Chairperson

### SELECT FILE

**LEGISLATIVE BILL 146.** E & R amendment, AM7113, found on page  
 1342, was adopted.

Senator D. Pederson renewed the Brashear pending amendment, AM1463, found on page 1383.

Senator Price asked unanimous consent to be excused. No objections. So ordered.

The Brashear amendment was adopted with 25 ayes, 0 nays, 10 present and not voting, and 14 excused and not voting.

Senator Brown offered the following amendment:

AM1487

(Amendments to E & R amendments, AM7113)

- 1 1. On page 9, line 7, after the last comma insert
- 2 "pharmacist"; and in line 11 after "services" insert ", of a kind
- 3 which are"; and in line 12 after "68-1025" insert an underscored
- 4 comma.

The Brown amendment was adopted with 25 ayes, 0 nays, 10 present and not voting, and 14 excused and not voting.

Advanced to E & R for engrossment.

**LEGISLATIVE BILL 513.** E & R amendment, AM7130, found on page 1655, was adopted.

Advanced to E & R for engrossment.

**LEGISLATIVE BILL 249.** E & R amendment, AM7115, found on page 1501, was adopted.

Senator Foley renewed his pending amendment, AM0887, found on page 1409.

Senator Chambers offered the following amendment to the Foley pending amendment:

FA1364

Amend AM0887

Strike lines 1 and 2 and insert the following:

On or before October 1 of each school year, each school district may provide information to students in grades seven through twelve explaining the provisions of section 71-6902 with regard to the requirements for parental notification as a condition for obtaining an abortion. If information is provided, the information shall also explain the provisions of sections 71-6903 and 71-6904 with regard to seeking a judicial waiver of the parental notification requirements. The State Department of Education shall develop and distribute to all public schools a standardized information form which may be used. The standardized information form shall be approved by the

State Board of Education following opportunity for public testimony at a public hearing of the board.

Senator Chambers withdrew his amendment.

Senator Mossey asked unanimous consent to be excused. No objections. So ordered.

Senator Thompson requested a ruling of the Chair on whether the Foley amendment is germane to the bill.

The Chair ruled the Foley amendment is not germane to the bill.

Senator Foley challenged the ruling of the Chair. The question is, "Shall the Chair be overruled?"

Senator Chambers raised point of order on whether a member may yield speaking time to another member who had previously spoken during debate on a motion to overrule the Chair, pursuant to Rule 1, Section 12.

The Chair ruled that there is no rule that prohibits time being yielded to another member.

Senator Bourne challenged the ruling of the Chair on whether a member may yield time to another member during debate on a motion to overrule the Chair, pursuant to Rule 1, Section 12. The question is, "Shall the Chair be overruled?"

Senator Bourne withdrew his motion to challenge the Chair.

Senator Foley withdrew his motion to challenge the Chair.

Senator Thompson withdrew her request on whether the Foley amendment is germane to the bill.

Senator Foley withdrew his pending amendment, AM0887, found on page 1409 and considered in this day's Journal.

Senator Raikes withdrew his pending amendment, AM1779, found on page 1678.

Advanced to E & R for engrossment.

#### **AMENDMENTS - Print in Journal**

Senator Synowiecki filed the following amendment to LB 743:  
AM1961

(Amendments to AM1484)

1. On page 1, strike beginning with "Charitable" in line

2 10 through "(3)" in line 12; in line 13 strike "(4)" and insert  
 3 "(3)"; in line 20 strike "(5)" and insert "(4)"; and in line 23  
 4 strike "(6)" and insert "(5)".  
 5 2. On page 2, line 4, strike "(7)" and insert "(6)"; and  
 6 strike line 7 and insert "services".  
 7 3. On page 3, strike beginning with "by" in line 3  
 8 through "contributor" in line 5 and insert "by or on behalf of a  
 9 nonprofit organization described in section 501 of the Internal  
 10 Revenue Code".

Senator Chambers filed the following amendment to LB 48:

AM1978

1 1. Strike the original sections and insert the following  
 2 new sections:  
 3 "Section 1. Section 81-3606, Reissue Revised Statutes of  
 4 Nebraska, is amended to read:  
 5 81-3606. There is hereby created the Rural Development  
 6 Cash Fund which shall be used by the Rural Development Commission  
 7 for the purposes of sections 81-3601 to 81-3605. Money credited to  
 8 the fund shall include any monetary gifts, grants, and donations,  
 9 proceeds from contracts for services, and reimbursements of  
 10 expenses and at least seventy-five percent of any grant funds under  
 11 the National Rural Development Partnership received by the State of  
 12 Nebraska, up to three hundred thousand dollars, from the United  
 13 States Department of Agriculture. Any money in the fund available  
 14 for investment shall be invested by the state investment officer  
 15 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
 16 State Funds Investment Act.  
 17 Sec. 2. Sections 81-3601 to 81-3609, Reissue Revised  
 18 Statutes of Nebraska, are revived.  
 19 Sec. 3. Original section 81-3606, Reissue Revised  
 20 Statutes of Nebraska, is repealed.  
 21 Sec. 4. Since an emergency exists, this act takes effect  
 22 when passed and approved according to law."

Senator Brown filed the following amendment to LB 283:

AM1975

(Amendments to E & R amendments, AM7140)

1 1. Insert the following new sections:  
 2 "Sec. 3. Section 77-2701.02, Revised Statutes  
 3 Supplement, 2002, is amended to read:  
 4 77-2701.02. Pursuant to section 77-2715.01:  
 5 (1) Until July 1, 1998, the rate of the sales tax levied  
 6 pursuant to section 77-2703 shall be five percent;  
 7 (2) Commencing July 1, 1998, and until July 1, 1999, the  
 8 rate of the sales tax levied pursuant to section 77-2703 shall be  
 9 four and one-half percent;  
 10 (3) Commencing July 1, 1999, and until the start of the  
 11 first calendar quarter after July 20, 2002, the rate of the sales

12 tax levied pursuant to section 77-2703 shall be five percent;  
13 (4) Commencing on the start of the first calendar quarter  
14 after July 20, 2002, and until ~~the start of the fifth calendar~~  
15 ~~quarter after July 20, 2002,~~ October 1, 2007, the rate of the sales  
16 tax levied pursuant to section 77-2703 shall be five and one-half  
17 percent; and

18 (5) Commencing on October 1, 2007, ~~the start of the fifth~~  
19 ~~calendar quarter after July 20, 2002,~~ the rate of the sales tax  
20 levied pursuant to section 77-2703 shall be five percent.

21 Sec. 4. Section 77-2715.02, Revised Statutes Supplement,  
22 2002, is amended to read:

23 77-2715.02. (1) Whenever the primary rate is changed by  
1 the Legislature under section 77-2715.01, the Tax Commissioner  
2 shall update the rate schedules required in subsection (2) of this  
3 section to reflect the new primary rate and shall publish such  
4 updated schedules.

5 (2) The following rate schedules are hereby established  
6 for the Nebraska individual income tax and shall be in the  
7 following form:

8 (a) The income amounts for columns A and E shall be:

9 (i) \$0, \$2,400, \$17,000, and \$26,500, for single returns;

10 (ii) \$0, \$4,000, \$30,000, and \$46,750, for married filing  
11 joint returns;

12 (iii) \$0, \$3,800, \$24,000, and \$35,000, for  
13 head-of-household returns;

14 (iv) \$0, \$2,000, \$15,000, and \$23,375, for married filing  
15 separate returns; and

16 (v) \$0, \$500, \$4,700, and \$15,150, for estates and  
17 trusts;

18 (b) The amount in column C shall be the total amount of  
19 the tax imposed on income less than the amount in column A;

20 (c) The amount in column D shall be the rate on the  
21 income in excess of the amount in column E;

22 (d) For taxable years beginning or deemed to begin before  
23 January 1, 2003, and for taxable years beginning or deemed to begin  
24 on or after January 1, ~~2007, 2004,~~ under the Internal Revenue Code  
25 of 1986, as amended, the primary rate set by the Legislature shall  
26 be multiplied by the following factors to compute the tax rates for  
27 column D. The factors for the brackets, from lowest to highest  
1 bracket, shall be .6784, .9432, 1.3541, and 1.8054;

2 (e) For taxable years beginning or deemed to begin on or  
3 after January 1, 2003, and before January 1, ~~2007, 2004,~~ under the  
4 Internal Revenue Code of 1986, as amended, the primary rate set by  
5 the Legislature shall be multiplied by the following factors to  
6 compute the tax rates for column D. The factors for the brackets,  
7 from lowest to highest bracket, shall be .6932, .9646, 1.3846, and  
8 1.848;

9 (f) The amounts for column C shall be rounded to the  
10 nearest dollar, and the amounts in column D shall be rounded to

11 hundredths of one percent; and

12 (g) One rate schedule shall be established for each  
13 federal filing status.

14 (3) The tax rate schedules shall use the format set forth  
15 in this subsection.

16	A	B	C	D	E
17	Taxable income	but not	pay	plus	of the
18	over	over			amount over

19 (4) The tax rate applied to other federal taxes included  
20 in the computation of the Nebraska individual income tax shall be  
21 eight times the primary rate.

22 (5) The Tax Commissioner shall prepare, from the rate  
23 schedules, tax tables which can be used by a majority of the  
24 taxpayers to determine their Nebraska tax liability. The design of  
25 the tax tables shall be determined by the Tax Commissioner. The  
26 size of the tax table brackets may change as the level of income  
27 changes. The difference in tax between two tax table brackets  
1 shall not exceed fifteen dollars. The Tax Commissioner may build  
2 the personal exemption credit and standard deduction amounts into  
3 the tax tables.

4 (6) The Tax Commissioner may require by rule and  
5 regulation that all taxpayers shall use the tax tables if their  
6 income is less than the maximum income included in the tax  
7 tables."

8 2. On page 11, line 22, strike "section" and insert  
9 "sections 77-2701.02, 77-2715.02, and".

10 3. Renumber the remaining sections and correct internal  
11 references accordingly.

Senator Maxwell filed the following amendment to LB 95:  
AM1769

(Amendments to Standing Committee amendments, AM0576)

1 1. Strike section 4 and insert the following new  
2 section:  
3 "Sec. 4. (1) Every hospital licensed under the Health  
4 Care Facility Licensure Act shall maintain a written policy for the  
5 disposition of the remains of a child born dead at such hospital.  
6 The parent of such child shall have the right to direct the  
7 disposition of such remains, except that disposition may be made by  
8 the hospital if no such direction is given by the parent within  
9 fourteen days following the delivery of such remains. Such policy  
10 and such disposition shall comply with all applicable provisions of  
11 state and federal law. Upon the delivery of a child born dead, the  
12 hospital shall notify the parent of such parent's right to direct  
13 the disposition of the remains of such child and shall provide the  
14 parent with a copy of its policy with respect to such disposition.  
15 (2) For purposes of this section, child born dead means a  
16 child at any stage of gestation (a) who has died in utero, (b)  
17 whose remains have been removed from the uterus of the mother, for

18 whom pregnancy has been confirmed prior to such removal, and (c)  
19 whose remains are identified with the naked eye at the time of such  
20 removal by the attending physician or upon subsequent pathological  
21 examination if requested by the parent. This section shall not  
22 apply to the performance of an elective abortion.  
23 (3) Except as otherwise provided by law, nothing in this  
1 section shall be interpreted to prohibit any hospital from  
2 providing additional notification and assistance to the parent of a  
3 child born dead at such hospital relating to the disposition of the  
4 remains of such child, even if such remains cannot be identified  
5 with the naked eye at the time of delivery or upon subsequent  
6 pathological examination."

### VISITORS

Visitors to the Chamber were 48 fourth-grade students, teachers, and sponsors from Howard Elementary School, Grand Island; students from Central Community College, Grand Island; Melissa Huber, Madison Sr, Michelle Leany, and Robin and Theresa Huber from Legislative District 18; Marilyn Andersen from Decatur; 35 fourth-grade students and teachers from Cather Elementary School, Omaha; 14 eighth-grade students and teacher from St. Michaels School, South Sioux City; 100 fourth-grade students and teachers from Neihardt Elementary School, Omaha; fourth-grade students and teacher from Lewis and Clark School, South Sioux City; and 79 fourth-grade students and teachers from Picotte Elementary School, Omaha.

### ADJOURNMENT

At 2:24 p.m., on a motion by Speaker Bromm, the Legislature adjourned until 9:00 a.m., Monday, May 19, 2003.

Patrick J. O'Donnell  
Clerk of the Legislature

