

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB565

Hearing Date: Wednesday March 15, 2017
Committee On: Revenue
Introducer: McCollister
One Liner: Require the posting of tax incentive information under the Taxpayer Transparency Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Brasch, Harr, Larson, Lindstrom, Schumacher, Smith
Nay:
Absent:
Present Not Voting: 2 Senators Friesen, Groene

Verbal Testimony:

Proponents:

Senator John McCollister
Don Stenberg
Renee Fry

Representing:

Introducer
Nebraska State Treasurer
OpenSky Policy Institute

Opponents:

Representing:

Neutral:

Joseph Young

Representing:

Nebraska Chamber of Commerce, Greater Omaha Chamber, Lincoln Chamber of Commerce

Summary of purpose and/or changes:

LB 565 would complete a two-part effort to improve taxpayer transparency reporting in Nebraska. The enactment of LB 581 in 2016, to add quasi-public agency reporting on StateSpending.Nebraska.gov, represented the first step in the process.

LB 565 would complete this effort by expanding the State Treasurer's taxpayer transparency website, to require the addition of financial information about Nebraska's economic development tax incentive programs that have been enacted since 2005. These programs provide tax credits, refunds and other incentives written into our tax laws. LB 565 would require the State Treasurer to maintain searchable website records of the payments made to and benefits received by recipients of these programs, the actual benefits realized by the public in the form of new jobs and economic growth stimulated by these programs, and subsidies recouped for programs with "clawback" provisions. This information would be searchable by awardee, key word and the name of program.

It is the duty of the State Treasurer to maintain StateSpending.Nebraska.gov as a searchable, user-friendly website that discloses, in a straightforward manner, how the State of Nebraska spends and receives funds. StateSpending.Nebraska.gov has been recognized as one of the most comprehensive transparency websites in the country. It received an A- in the 2016 report card from the U.S. Public Interest Group, a private, independent organization that rates state transparency websites

Explanation of amendments:

The Committee Amendment only requires the following programs to be added to the State Treasurer's Taxpayer Transparency Website:

- The Nebraska Advantage Act
- The Nebraska Advantage Microenterprise Tax Credit Act
- The Nebraska Advantage Research and Development Act
- The Nebraska Advantage Rural Development Act
- The Nebraska job Creation and Mainstreet Revitalization Act
- The New Markets Job Growth Investment Act
- The Renewable Energy Tax Credit
- Any similar programs providing tax credits or tax refunds after the effective date of this Act

Information on the Website shall include:

- The identity of the taxpayer;
- The location where the taxpayer is using tax credits or tax refunds
- The name of the program under which the taxpayer is earning tax credits or tax refunds
- The total tax credits used or tax refunds received by the taxpayer under the -The increases in jobs and investment that are actually produced to earn tax credits or tax refunds
- Any amount of tax credits or tax refunds recouped from the taxpayer for failure to provide the increases in jobs and investment required under the program.

The website shall contain the total amount of tax credits used by taxpayers each year for the Nebraska Advantage Research and Development Act.

The data for fiscal years 2014-15 through 2016-17 shall be available on the website no later than December 31, 2017.

All state entities shall provide the State Treasurer such information as is necessary to accomplish the purposes of this Act.

Jim Smith, Chairperson