

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB625

Hearing Date: Thursday February 25, 2021
Committee On: Revenue
Introducer: Vargas
One Liner: Impose a surtax on certain taxable income and use the tax proceeds for early childhood education

Roll Call Vote - Final Committee Action:
Indefinitely postponed

Vote Results:

Aye: 8 Senators Pahls, Linehan, Lindstrom, Friesen, Flood, Briese, Bostar, Albrecht
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator Tony Vargas
Renee Fry

Representing:

Introducer
OpenSky Policy Institute

Opponents:

Dallas Jones
Sarah Curry
Megan Kallina

Representing:

Lincoln Independent Business Association
Platte Institute
Self

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

Jason Hayes

Representing:

NSEA

Opponents:

Bob Hallstrom

Representing:

National Federation of Independent Business, Nebraska Bankers Association

Neutral:

Representing:

Summary of purpose and/or changes:

LB625 proposes to charge a surtax on high-income individuals to provide funds for early childhood education. The surtax will begin on or after January 1, 2022 and will be assessed as follows:

- Married filing jointly or head of household - 4% of taxable income in excess of \$1 million.
- Any other filing status - 4% of taxable income in excess of \$500,000.

The surtax will be collected with state income tax returns are filed. All proceeds from the surtax will be credited to the Early Childhood Education Endowment Cash Fund.

The bill will change the percentage of total funds deposited to the Early Childhood Education Endowment Cash Fund that may be used for evaluation and technical assistance from 10% to 1%.

Lou Ann Linehan, Chairperson