

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 26, 2021

FOLEY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-seventh day of the One Hundred Seventh Legislature, First Session. Our Chaplain for today is Senator DeBoer. Please rise.

DeBOER: Oh, holy one, we live in a broken world. We are imperfect mirrors of the divine. We hurt each other. We discount each other. We ignore each other's feelings. We lie. We are careless. Despite all of our faults, make us instruments, imperfect ones that we are, of peace, of justice, of hope. Do not harden our hearts like Pharaoh, rather grant us the wisdom to listen and change our minds, the courage to stand up to our friends, the compassion to work for the well-being of all before our own interests. Comfort us when we realize our decisions are not easy, should not be easy if we are trying to balance all of the many interests in this broken world. Help us to sit with a quiet heart in those times and listen to your Ruach, which in Hebrew means wind, breath, breath of life and spirit. Remind us that your grace is freely given and that it is because-- grace because we don't deserve it, not because we can earn it. And when we fail or when we bow to the idols of this world, teach us once again that we are always already redeemed by your grace. Finally, remind us to look for the divine in each one and to remember with joy that we are all imperfect mirrors of that divinity. In the name of the one who is, who was, who always will be. Amen.

FOLEY: Thank you, Senator DeBoer. The Chair recognizes Senator Slama for the Pledge of Allegiance.

SLAMA: 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.

FOLEY: Thank you, Senator Slama. I call to order the sixty-seventh day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

ASSISTANT CLERK: There is a quorum present, Mr. President.

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

ASSISTANT CLERK: No corrections this morning.

FOLEY: Thank you, sir. Any messages, reports or announcements?

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ASSISTANT CLERK: Not at this time, Mr. President.

FOLEY: Thank you, Mr. Clerk. We'll now proceed to the first item-- actually, before we do that, Senator Slama would like us to recognize Dr. George Voigtlander of Pawnee City, Nebraska, who is serving us today as family physician of the day. Dr. Voigtlander is with us under the north balcony. Doctor, thank you for being here. If you could please step up and we'd like to thank you for your presence today. Now we'll proceed to the first item on the agenda, General File consent calendar, LB540. Mr. Clerk.

ASSISTANT CLERK: LB540, introduced by Senator Walz. It's a bill for an act relating to civil rights; to change terminology related to disability; to prohibit discrimination in places of public accommodation on the basis of disability; to harmonize provisions; and repeal the original sections. This bill was introduced on January 19. It was referred to the Judiciary Committee, placed on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Walz, you're recognized to open on LB540.

WALZ: Thank you, Mr. President. And good morning, colleagues. I hope you all had a wonderful weekend. Today, I am very pleased to introduce LB540, which is a small but important bill that will rectify an oversight in the current civil rights statutes. LB540 changes terminology and harmonizes language relating to disabilities, disabilities in the Nebraska statute. Throughout statute, there are a variety of terms used to describe disabilities. Some of these include blind, visually handicapped, deaf or hard of hearing, handicapped or physically disabled. While some of these are more specific, like blind and hard of hearing, there are numerous situations where the phrase "a person with a disability" would suffice. By making this small but meaningful change, we will be in alignment with the federal definition and consistent with contemporary uses and norms of disability language. The Nebraska Equal Opportunity Commission has made it evident that this language change would make considerable strides in the NEOC's ability to ensure fairness and equality for people with disabilities. They already use the terms "disability" and "person with a disability", not the term handicap in investigating allegations of discrimination. So LB540 changes nothing concerning the application of the law, but changes everything with regard to the dignity of those to which it applies. Throughout my years of working for the rights and fair, fair treatment of people with disabilities, I have become acutely aware of the respect and understanding that can be achieved with the simple framing of identity. At the end of the day,

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colleagues, this is about respect. Nebraskans with disabilities should be described in the law with language that reflects their dignity. LB540 is an important bill as it codifies this belief and provides the groundwork to enforce civil rights of Nebraskans with disabilities. Bills like LB540 are important because they provide great opportunity and change with simplicity. I would encourage you to vote green on this bill. Thank you, Mr President.

FOLEY: Thank you, Senator Walz. Is there any discussion of LB540? I see none. Senator Walz, you're recognized to close. She waives closing. The question before the body is the advance of LB540 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 0 nays on the motion to advance the bill.

FOLEY: LB540 advances. Next bill is LB296. Mr. Clerk.

ASSISTANT CLERK: LB296, introduced by Senator Ben Hansen. It's a bill for an act relating to state institutions; to change provisions related to access to records; to harmonize provisions; repeal the original sections. Bill was introduced on January 12, referred to the Health and Human Services Committee, placed on General File. There are no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Ben Hansen, you're recognized to open on LB296.

B. HANSEN: Thank you, Mr. President. Good morning, colleagues. Today, I bring you LB296. LB296 focuses on the current overwhelmed environment of patient treatment centers across the state of Nebraska. We are seeing too many situations where patients are being overlooked and forced to stay in healthcare institutions much longer than they should. Sometimes the situations are so erroneous that patients remain in a healthcare institution six months and even sometimes one year longer than necessary. As you know, a complete record of every patient or resident of every institution is kept from the date of their entrance to date of their discharge. Under current law, a patient's records of his or her time spent at the facility may be only accessible to DHHS, a legislative committee, the Governor, or certain other interested public or private agencies by order of a judge or court in accordance with statutory requirements. Records are also released to Nebraska State Patrol or victims of crimes in accordance with state law, to law enforcement if a crime occurs on the premise of an institution, upon request when a patient has been dead for 50 years or more, and to current treatment providers. LB296 would allow a

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mental health board to order release of such records and would allow records to be released to treatment providers for coordination of care related to transfer or discharge. This allows the institution to share records similar to what is allowable by HIPAA and practice in private facilities. Right now, these institutions are subject to restrictions more burdensome than those required by HIPAA. This change will allow DHHS to work with community providers to determine the appropriate treatment for a patient and discharge patients in a timely manner. In situations where the department is unable to assign a patient to a regional center, this would allow for the release of records to have the individual sent to a more locally based community center or released under convalescent leave to a family member only after DHHS has done a full investigation of the resident's physical or mental status to determine if a request transfer if applicable from the governing mental health board. LB296 did come out of Health and Human Services Committee 7-0 and there's no fiscal note with the bill. And I also did have the pleasure of working with the CEO of DHHS and together we believe this is a good bill. And I would encourage your green vote on this and look forward to hearing any comments and questions you may have. Thank you, Mr. President.

FOLEY: Thank you, Senator Hansen. Any discussion on LB296? I see none. Senator Hansen, you're recognized to close. He waives close. The question before the body is the advance of LB296 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 37 ayes, 0 nays on the motion to advance the bill.

FOLEY: LB296 advances. Proceeding to the next bill, LB313. Mr. Clerk.

ASSISTANT CLERK: LB313, introduced by Senator Sanders. It's a bill for an act relating to revenue and taxation; to change provisions relating to late applications for homestead exemptions; to harmonize provisions; and repeal the original sections. The bill was introduced on January 12 of this year, referred to the Revenue Committee, placed on General File with committee amendments attached.

FOLEY: Thank you, Mr. Clerk. Senator Sanders, you're recognized to open on LB313.

SANDERS: Thank you, Mr. President, Lieutenant Governor Foley. Good morning, colleagues. Today, I am introducing LB312 [SIC--LB313], minimally change the state's homestead exemption application deadline. LB313 does two things. First, the bill extends the deadline for a homestead exemption late application. Second, it includes the death of

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a spouse as an acceptable reason to request an extension to file for a homestead exemption. I want to thank Sarpy County Board for bringing me this bill. I also want to thank cosponsors of LB313, Senators Aguilar, Albrecht, Arch, Blood, Bostelman, Clements, Day, and Slama. The Sarpy County Board testified in support of the bill along with Douglas County Board, NACO, and AARP. The bill was advanced on a numerous-- unanimous 8-0 vote from the Revenue Committee, and there was a zero opposition testimony. Additionally, there is no fiscal note. The Revenue, Revenue Committee did attach a committee amendment, AM367, which Chairman Linehan will introduce shortly. Currently, a property owner may file a late application for homestead exemption if they provide documentation that a medical condition caused an inability to file on time. This bill would allow the same ability for those whose spouses pass away in the relevant tax year. Many times when someone passes away, the spouse is left to pick up the pieces. This includes family finances. This can be extremely difficult for someone who has never handled family budgeting and taxes. It takes time to not only grieve a loved one, but become proficient in finances. To be clear, LB313 does not expand or change the eligibility for the Homestead Exemption program. It simply allows greater flexibility for late application in light of a life-altering event. Under this bill, applicants for the late exemption can file up to June 30 of the year the taxes become delinquent. Throughout the interim, Sarpy County has engaged in multiple conversations with county commissioners, county assessors, and county treasurers to draft this legislation. LB313 has been carefully crafted and narrowly tailored to increase flexibility while minimally disrupting existing process for assessors and treasurers particular. Again, I want to thank Sarpy County Board, especially Angi Burmeister, who were instrumental in crafting this bill. Thank you for your time and attentiveness. And I would ask the Legislature to advance this select-- to Select File. Thank you, Mr. President.

FOLEY: Thank you, Senator Sanders. Senator Linehan, you're recognized to open on the committee amendment, AM367.

LINEHAN: Thank you, Mr. President. And good morning, colleagues. Senator Sanders has provided us with an overview of LB313. AM367 was amended into LB313 on a 8-0 vote. The amendment extends the late application date from the date on which the first half of the real estate taxes levied on the property for the current year become delinquent to June 30 in the year they become delinquent. If the Tax Commissioner approves a late application after any of the real estate taxes in question become delinquent, such delinquency and any interest associated with the amount of the approved exemption shall be removed

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from the tax rolls of the county within 30 days after the county assessor-- somebody who likes me is not listening, watching on TV-- such delinquency and any interest associated with the amount approved exemption shall be removed from the tax rolls of the county within 30 days after the county assessor receives the notice from the Tax Commissioner of the approved exemption. On page 3, lines 12 through 24, the new matter is stricken and the original language is reinstated. Thank you. And I want to thank Senator Sanders and the county board and the Revenue Committee for getting this to the floor. It's really important and this is a situation that affects people at the worst times in their life. So I'd appreciate your green vote for AM367 and LB313. Thank you.

FOLEY: Thank you, Senator Linehan. Debate is now open to LB313 and the pending committee amendment. Senator Clements.

CLEMENTS: Thank you, Mr. President. I stand in support of AM367 and LB313. As a tax preparer, I do quite a few homestead exemption forms for taxpayers and especially the elderly. And it's very common for one spouse to come in who does the handling of their income tax and the other spouse not to even be present and then stop in later to sign the forms or have the form brought home to them for their signature. So it's common for one spouse to not be very involved at all in the preparation of a homestead exemption. And the deadline can come and go pretty quickly if a person wasn't aware that they needed to file. And so I think this is very good if one spouse is deceased, the other one who has not been doing any business with the finances, it gives them a chance to be told or find out that there's a deadline and this will extend the deadline and help them out in those situations. And it's just for the first year, is my understanding that the death occurs. Would Senator Sanders yield to a question?

FOLEY: Senator Sanders, would you yield, please?

SANDERS: Yes, I would.

CLEMENTS: Is this just for the, the first year after a spouse is deceased?

SANDERS: Yes, it is.

CLEMENTS: OK, thank you. So it's just, it's going to be a rare situation and it's going to help out those people that have a death in the family. Thank you very much, Mr. President.

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FOLEY: Thank you, Senator Clements. I see no further discussion. Senator Linehan, you're recognized to close on the committee amendment. She waives closing. The question before the body is the adoption of the committee amendment, AM367. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 38 ayes, 0 nays on the adoption of committee amendments.

FOLEY: AM367 has been adopted. Is there any further discussion to LB313 as amended? I see none. Senator Sanders, you're recognized to close on advance. She waives closing. Question before the body is the advance of LB313 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 41 ayes, 0 nays on the advancement of the bill.

FOLEY: LB313 advances. Next bill, LB521. Mr. Clerk.

ASSISTANT CLERK: LB521, offered by Senator Friesen. It's a bill for an act relating to revenue and taxation; change provisions relating to applications for property tax exemption; repeal the original sections. Bill was introduced on January 19, referred to the Revenue Committee, placed on General File. There are no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Friesen, you're recognized to open on LB521.

FRIESEN: Thank you, Mr. President. LB521 would require the state Tax Commissioner to include on the Form 451, and that's the form used to apply for a tax exemption on real and personal property for a qualifying organization to list the value of the property that are seeking an exemption for. Failure by a qualifying organization to provide such information would result in automatic denial of the property tax exemption application. By providing this information, it would give local governmental subdivisions in the state an idea of how much valuation is exempt from taxation. While it may be difficult to place a market value or a market derived value on some properties like churches or schools, most of these buildings are insured for at least a replacement value. And the land under would be valued like land under any other residential or commercial property. So right now, in our tax expenditure report that every other year has brought out a full report, there's supposed to be a report on the amount of property that is tax exempt. And that report is never there because nobody aggregates the data. On the form, there is a place where you can put

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your value that you're asking for the exemption and some people fill it out. Some say they don't know what number to put there. We have suggested that the Department of Revenue could provide guidance and say, you know, you can either put a known value or put your insured value, just put something in there so we know what kind of dollars we're talking about. And it would provide a report on what kind of dollar amounts we're talking about are exempt in the state. And so that we might look at that tax exempt-- tax expenditure report and, and at least see once what these-- what-- what's this amounting to in, in dollar values of what we're doing. So with that, I'd ask for a green light on LB521.

FOLEY: Thank you, Senator Friesen. Debate is now open on LB521. Senator Clements.

CLEMENTS: Thank you, Mr. President. Would Senator Friesen yield to a question?

FOLEY: Senator Friesen, would you yield, please?

FRIESEN: Yes, I would.

CLEMENTS: The committee statement states that the Tax Commissioner shall, the Tax Commissioner shall enter a value on Form 451. Is that really what's going on here?

FRIESEN: That's not what's going on. Counties are required to collect the information and hopefully then it would be aggregated and sent to the Tax Commissioner for the report in the tax expenditure report. But too many people leave that line blank. And so it's just a zero. And so we have no known value. So they didn't see a value in the report and it's just not included then.

CLEMENTS: All right, what we really mean is that the Tax Commissioner will aggregate the, the numbers, but the exempt entity is who has to enter the number on the form. Is that correct?

FRIESEN: That's correct. I've, I've said previously if we have a form, let's make it so people answer all the questions on the form or else take the question off the form. And so the question is there, nobody-- some people are requiring it to be filled out, some are not, it's hit and miss.

CLEMENTS: Yes, thank you, Senator Friesen. I do fill out some of these forms for nonprofit organizations, and I do try to enter the value, although it's been an optional number. I think it's a, a good thing to

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know from the state's perspective how much exempt property there is and a, a rough value of that. So I'm in support of LB521. Thank you, Mr. President.

FOLEY: Thank you, Senator Clements. Senator Moser.

MOSEER: Thank you, Mr. Lieutenant Governor. Would Senator Friesen respond to a question or two?

FOLEY: Senator Friesen, would you yield, please? Senator Friesen.

FRIESEN: Yes, yes, I would.

MOSEER: OK, thank you. Currently, this number is required, but quite often it's not filled out?

FRIESEN: Well, it's, it's, it's on the form. But in statute, it does not say that it's one of those required. And so, again, there's different, different counties do different things. Some accept it with zero in there. Others get them to put in a number. It just varies across the board, and therefore a report isn't accurate. And so no one has--

MOSEER: So is there, is there any difference in the outcome based on the number that's put there? I mean, if they put the wrong number, will they get less than 100 percent exemption?

FRIESEN: No, this has nothing to do with the exemption. If they're ruled exempt, they will be completely exempt.

MOSEER: What if they just put 100?

FRIESEN: All, all we want is-- all I want is to see a number in there so that in our tax expenditure report that we see every other year, we can see what total amount of dollar values are exempted from taxation in the state.

MOSEER: So does it say dollar value or could you put in 100 percent?

FRIESEN: It's a dollar value of what you perceive your property to be worth or what you insure it at. You know, like I said, sometimes a church, there, there isn't a-- easy to put an assessed value on it. So if you take what you insure your church for, you can put that value in there. It has no bearing on whether or not you get the exemption other than you put a number in there of what you feel it's worth.

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MOSEER: The county doesn't have assessed valuation for properties that, that nonprofits could use?

FRIESEN: No, exempt properties is not valued. They don't go out and assess those. They-- they're exempt and they don't have to go out and assess them under this bill. It's just when you apply for that exemption, you'll be required to fill in a number in that blank.

MOSEER: And do you have to put it in for each parcel if you have multiple parcels?

FRIESEN: Yes, each parcel that you apply for would have to have a value.

MOSEER: Does it have to have a separate form for each parcel or--

FRIESEN: I'm assuming under the current law, you would have to have a different form for each parcel. But I do not know that. If it can be done on one form, it doesn't matter to me. It's just getting a total there for our tax expenditure report that's important to me.

MOSEER: Why do you suppose they would ignore that now?

FRIESEN: Well, some, some didn't know what value to put in there, so they just left it zero, left it blank. Others didn't know quite what to use because an assessor looks like, you know, it's sales comparisons while churches don't sell very often, you can't put a value on a church that way or a, a public building. So, I mean, it's, it's-- some people said they didn't know what value to put in there. So--

MOSEER: Well, what if they put in \$100? What's the assessor going to do? Is he going to go out and assess it?

FRIESEN: I guess that's fine with me as long as somebody is filling something out. And if they start to do that, then down the road, a different Legislature can address that.

MOSEER: Or just give them \$100 exemption.

FRIESEN: Give them an exemption on \$100 of value. We could do that, I suppose, but that's not what the intent of this was.

MOSEER: OK, thank you.

FOLEY: Thank you, Senator Moser and Senator Friesen. Senator Erdman.

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ERDMAN: Thank you, Lieutenant Governor. Good morning. I listened to the conversation between Senator Moser and Friesen. I, I appreciate some of the explanation that Senator Friesen gave. As a previous county commissioner, that's exactly what happened. They didn't put a value in there and we didn't ask them to do that. And I know for a fact when a church or an exempt property is sold, it's a difficult thing for the real estate people because you can't compute what the taxes may be. You can guess at it, but it is a difficult thing. So I understand what he's trying to do, but I'd like to ask him a few questions if he'd yield?

FOLEY: Senator Friesen, would you yield, please? Senator Friesen, would you yield, please?

ERDMAN: Senator Friesen.

FRIESEN: Yes, I would.

ERDMAN: Thank you, Senator. So if they put in a, in a ridiculous number like \$10, then what happens, nothing?

FRIESEN: Well, again, I'm not going to get into that now because I, I feel if they do their best, they will put in a number. But again, there's no penalty for putting in \$10.

ERDMAN: If they put in zero, are they disqualified?

FRIESEN: I don't know exactly the technical language in the bill, but I think they would be disqualified. They have to assign it a value.

ERDMAN: And currently that's not the case?

FRIESEN: No, currently it's not listed in statute that they have to fill out. There's other blanks that are required to be filled out, but it doesn't specifically say that this would disqualify you from not filling it out.

ERDMAN: Most of those people, and you alluded to the fact that whatever their insurance, a insurance value the insurance companies put on there, it could be the value. I, I don't understand how the average person who doesn't deal in real estate is going to be able to comprehend or be able to calculate what the value should be. Do you think that's going to be a problem for them?

FRIESEN: I don't feel it would. I think once the Department of Revenue would issue some guidance with that form of what kind of number they

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expect, I, I think that should be an easily number to, to come up with.

ERDMAN: Wouldn't it be far more efficient and less complicated to allow the assessor to put a value in there based on the square footage of the building or whatever they have?

FRIESEN: I suppose if we change the form, but there's different buildings. If you just go by square feet, I'm not sure that the value would be properly recognized yet.

ERDMAN: It, it would make more sense to me that if the value placed on that form came from the assessor on their estimated value of what the property was worth would have more value to me than the person filing the form that has no understanding of what real estate sells for or what the value should be. I, I think it would be an opportunity for the assessor to calculate it as to what the value would be if it was on the tax rolls just off the back of the envelope. Basically, what the, the applicant is going to do. I don't know that it makes sense to, to prescribe to the owner or the nonprofit, whoever has the property, to come up with a value. I think that's what assessors are for. I think if they want a value on there and you want to find out how much property is being exempted in your county, that's the assessor's job. I guess I'm having a difficult time understanding why we should ask the applicant to do the work of the assessor. So I appreciate you answering the questions, but I don't see, I don't see that this is going in the right direction. I think we need to do the other way around, let the assessor do it. Thank you.

FOLEY: Thank you, Senator Erdman. Senator Moser. Senator Moser, we're down to four minutes.

MOSER: Thank you. I'd like to ask Senator Friesen a couple of questions, please.

FOLEY: Senator Friesen, would you yield, please?

FRIESEN: Yes, I would.

MOSER: I'm wondering if some people would be hesitant to answer that question for fear that their exemption not be approved and that somehow their wild guess would be somehow held against them, you know, as the property is valued. If you use insurance values, sometimes they're crazy high based on replacement cost and, and inflation. And, you know, there may be quite a difference between the assessed value and what the insurance value would be. Wouldn't you agree?

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FRIESEN: It could be. And for my part, the Department of Revenue could come up with some guidance that would say, hey, let's, you know, give it a 20 percent discount from what you insure it at, pick a number. But let's start to try and accumulate a value that we're giving away. If, if-- again, if I'm asking for a tax exemption and being allowed not to pay a tax, there's always some strings attached. And if all I have to do is properly fill out a form, I think that's only fair enough for us to ask in order to give them an exemption.

MOSER: I think some of the nonprofits may look at it as where they're kind of laying their hand down, face up on the table and, and the county is keeping their hand close to their breast. And, and they, you know, they're hesitant to admit what the value, you know, what they think the value of it may be. Do you have any idea how many tax exempt properties there are in a county? What percentage of them are tax exempt?

FRIESEN: No, I don't. I have not done that research. But what our tax expenditure report was supposed to have is that value. And it's never been in there, so they don't track it. I'd have to go to each county and accumulate those figures.

MOSER: It-- well, would you accept a purchase cost or a historical value or--

FRIESEN: If, if the department would come up with some guidance on what number to use, I'd be more than happy to accept whatever they would come up with.

MOSER: I could see where the assessors wouldn't want to go out, say 10 percent of the properties in the county are, are tax exempt that I can see where the assessors wouldn't want to go out and value them. And for that matter, to go out and argue about what the value is with the nonprofit when there's no tax owed, I think it might be-- there might be slippage involved.

FRIESEN: I agree. I did not want to make more work for the assessors.

MOSER: Yeah, they're kind of crazy busy sometimes as it is. Thank you. Just some random thoughts I had about your bill, and I appreciate you answering those questions.

FOLEY: Thank you, Senator Moser and Senator Friesen. Senator Groene, you're recognized. We got one minute before the vote.

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GROENE: Thank you, Mr. President. I stand in support of LB521. It's common sense that we have a value on these properties. There's a lot of instances where we do already. I think on school lands there's a-- the assessor put a [INAUDIBLE], a valuation on it because they do-- the school lands fund does recoup-- does pay the property taxes out of the leases and stuff. So there has to be a valuation. I'm not so sure about the buildings, but I think all land, all land should have a value on it, even if it's a nonprofit. I know the churches are afraid of freedom of religion that once you put a valuation on it, it puts a foot in the door. But there's an awful lot of nonprofits out there besides churches, a lot of them. And the public should know how much value is off the tax rolls. This body should know how much value is off the tax rolls whenever a bill or something comes up to extend that and, and give it to more 501(c)(4)s and (3)s or whatever, especially when it's property. Another issue with tax increment financing, for example, when Creighton sold their hospital land, it was a nonprofit.

FOLEY: That's time, Senator.

GROENE: It had a--

FOLEY: That's time.

GROENE: That's five minutes?

FOLEY: You only had one minute, Senator.

GROENE: Oh, sorry.

FOLEY: We, we got to proceed to a vote at 15 minutes.

GROENE: I should know the rules. Thank you.

FOLEY: Consent calendar rules. Those in favor of advancing LB521 to E&R Initial vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 42 ayes, 1 nay to advance the bill.

FOLEY: LB521 advances. Proceeding now to LB209. Mr. Clerk.

ASSISTANT CLERK: LB209, introduced by Senator McDonnell. It's a bill for an act relating to retirement; to change provisions relating to treatment of deferred compensation by certain political subdivisions, state agencies, and Public Employees Retirement Board; and repeal the original sections. Bill was introduced on January 8 of this year,

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referred to the Retirement Systems Committee. The committee placed the bill on General File with committee amendments.

FOLEY: Senator McDonnell, you're recognized to open on LB209.

McDONNELL: Thank you, Mr. President. Good morning, colleagues. I'd like to start by thanking Speaker Hilgers for including this in the consent calendar. LB209 would allow certain county and city employees the ability to voluntarily contribute into their governmental 457(b) account. A designated Roth contribution. Under current federal IRS rules, governmental employees have the ability to voluntarily contribute money into the designated Roth account. However, due to current Nebraska law regarding 457(b) plans, this is not allowed. Current Nebraska law states all contributions into a 457(b) plan shall not have state or federal taxes taken out. This bill allows certain governmental employees the ability to contribute to accounts the bill allowable under current IRS rules. After the public hearing, stakeholders and, and committee members, legal counsel worked on crafting AM880 to LB209, which is carefully crafted amendment to ensure the language is drafted correctly and the deferred compensation Roth plans do not apply to state retirement plans or plans administered by the state. The amendment also eliminates the potential for any negative fiscal impact to the state. AM880 and LB209 were voted out of the Nebraska Retirement Systems Committee with unanimous vote and had no opposition at the hearing. The contents of AM880, which would become LB209, are critical for city and county employees throughout Nebraska. Offering a different option for deferred compensation is a proactive legislative-- legislation to entice investment in retirement plans. I'd appreciate your green vote on AM880 and LB209. Thank you.

FOLEY: Senator Kolterman, you're recognized to open on the committee amendment, AM880.

KOLTERMAN: Thank you, Mr. President. Good morning, colleagues. AM880 strikes the original provisions and becomes the bill. It clarifies that a plan of deferred compensation offered by a county, municipality, or other political subdivision may provide for the deferral on either a pretax basis or an after-tax basis under a qualified Roth contribution program pursuant to Section 402A of the Internal Revenue Code. Under current statute, any, any county that has not established its own deferred comp plan may enter into agreement with the PERB and NPERS to participate in the existing pretax state deferred comp plan. Nine counties or local entities have entered into such agreements. LB880 [SIC] specifies that any entities that have agreements with the PERB and NPERS may not establish or modify the

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deferred comp plan to allow for after-tax Roth contributions. He also specifies that neither the PERB nor NPERS is required to modify a deferred comp plan to establish a separate after-tax Roth contribution program. I appreciate Senator McDonnell working with me on this bill and, and Sean Kelly, Fraternal Order of Police, for working with my office on getting the amendments drafted. And I would particularly like to thank Orron Hill, the NPERS legal counsel, for all of his work and guidance on this bill. This has been a joint effort to get LB209 amended so it can move forward without incurring additional costs and administrative, administrative obligations for the PERB or NPERS. The fiscal note I will address. I want to mention that with the amendment, the fiscal impact will go away since it excludes the PERB and NPERS from the bill. So the fiscal note will be zero. And the nine governmental entities that have entered into deferred comp agreement that won't be eligible are Dodge County, York County, Lincoln County, Greeley County, Johnson County, and McPherson County, Elkhorn Logan Valley Public Health Department, Southeast-- Southwest Nebraska Public Health Department, and Northeast Nebraska Public Health Department. With that, I would hope we could approve AM880, LB209, and give these people the opportunity to participate in Roth IRAs. Thank you very much.

FOLEY: Thank you, Senator Kolterman. Debate is now open on LB209 and the pending committee amendment. I see no discussion. Senator Kolterman waives closing on AM880. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 39 ayes, 0 nays on the adoption of committee amendments.

FOLEY: AM880 has been adopted. Is there any further discussion on LB209 as amended? I see none. Senator McDonnell, you're recognized to close. He waives closing. The question before the body is the, the advance of LB209 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 42 ayes, 0 nays on the advancement of the bill, Mr. President.

FOLEY: LB2-- 2-- excuse me, LB209 advances. Items for the record, please.

ASSISTANT CLERK: Thank you, Mr. President, your Committee on Revenue reports LB674 is indefinitely postponed. Notice of committee hearing from the Transportation and Telecommunications Committee regarding a

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gubernatorial appointment. Amendment to be printed to LB388 from Senator Flood. And a rule suspension from Senator Flood to be printed in the Journal. That's all I have at this time.

FOLEY: Thank you, Mr. Clerk. Per the agenda, we'll now move to General File 2021 Speaker priority bills, LB84. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB84 was introduced by Senator Bostelman. It's a bill for an act relating to taxation; change provisions relating to tax incentive performance audits; to redefine a term under the Nebraska ImagiNE Act; and repeal the original sections. Bill was introduced on January 7. It was referred to the Revenue Committee. That committee placed the bill on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Bostelman, you're recognized to open on LB84.

BOSTELMAN: Good morning, Mr. President. And good morning, Nebraska and colleagues. I want to thank the Speaker for making LB84 a Speaker priority bill. So LB84 amends the ImagiNE Nebraska Act by adding nuclear energy and the North American Industry Classification System Code for nuclear energy to a list of renewable energy firms eligible, eligible for a tax incentive under the ImagiNE Nebraska Act to prepare our state for a new advanced nuclear energy technology currently in development across the globe. These new advanced nuclear technologies include, for example, small modular reactors or SMRs, microreactors, and molten salt reactors. Some new designs are capable of producing smaller amounts of energy than that of a large scale nuclear plant, with SMRs capable of producing 20 to 300 megawatts of energy and microreactors capable of producing 1 to 20 megawatts of energy. Next generation reactors such as Sodium can produce more than 345 megawatts. One of the, one of the more promising aspects of these new innovations are they improve safety measures. And I've provided you a handout that speaks to that. It should be on your desk. Advanced reactors are capable of being turned on or off whenever needed to optimize-- needed or optimized to flow load requirements unlike traditional large-scale reactors. According to the Nuclear Energy Institute or NEI, the U.S. nuclear plants are 100 times safer than regulatory safety goals. Due to the load generating power and small physical footprint of SMRs and microreactors, both of these technologies will be able to be strategically deployed in more remote and rural areas of the state. Microreactors, for example, are designed to be the size of a small semitrailer. In the event of a natural disaster-- in, in event that a natural disaster damages our energy infrastructure resulting in blackouts, like we saw in February, our

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rolling blackouts in February, microreactors can readily be brought online in order to supply energy. Various loan grants-- this is important, various loan grants and tax credits are available for advanced nuclear, including \$18 megawatt hour production tax credit. Probably the most thing you might be interested are the grants of up to \$40 million and DOE loan guarantees, DOE loan guarantees of up to \$2 billion, \$2 billion. So grants of \$40 million and DOE loan guarantees \$2 billion. With regard to employees, SMR plants employ anywhere from 40 to 200 individuals, and microreactors can employ anywhere from 3 to 10 employees. These jobs are paying 25 percent higher than any other power plant jobs currently exist. We're talking about great jobs, high-paying jobs, clean, carbon-free energy. As the energy industry becomes more reliant on renewable energy, and given the current administration's commitment, the current administration's commitment, and you have a handout to that, to all carbon-free sources of energy, including advanced nuclear reactors, it would be prudent to incentivize nuclear energy in Nebraska. According to NCSL, nuclear energy generates an essential share of the nation's resilient, clean, zero carbon emitting, reliable, and sustainable, and sustainable source of energy. So LB84 simply adds nuclear energy to the Imagine Act. The bill had no opposition in committee and was advanced with an 8-0 vote. Therefore, I ask for your support of LB84 and its advancement to Select File. Thank you, Mr. President.

FOLEY: Thank you, Senator Bostelman. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Machaela Cavanaugh would move to strike the enacting clause.

FOLEY: Senator Cavanaugh, you're recognized to open on your motion.

M. CAVANAUGH: Thank you, Mr. Lieutenant Governor. Good morning, colleagues. I have a motion to strike the enacting clause in this bill. I have a lot of questions about this. And I will be-- after my opening, I'll be asking Senator Bostelman to yield to a few questions and, and there might be others in the body that I have questions for. But I am going to start with why wasn't this included in the Imagine Act to begin with? This is the second bill so far on the floor that has sought to change the Imagine Act, which was just adopted in August of last year. So it's been less than a year and we are already making some pretty substantial changes to the Imagine Act. And the other thing, and I know Senator Bostelman has more to say on the fiscal note is, is the fiscal note and how I, I believe that there was maybe some confusion over, over the fiscal analysis and how this was going to work. But the fiscal note, if you haven't looked at it, is exorbitant. It's-- let me see here, in FY '28-29, it's \$184 million. So I think

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before we were to move a piece of legislation with that large of a fiscal note, we should really dig into what that means and how that's going to be paid for. And it does make me pause and wonder if this wasn't included originally in the Imagine Act because it would have made the fiscal note for the Imagine Act that much more outrageous. And I will confess a lack of knowledge in how the funding for the Imagine Act versus the Property Tax Relief Fund work. If we are giving out more in stimulus dollars for the Imagine Act, does that mean that we are decreasing the Property Tax Relief Fund? Because that does seem to be where we park all of our extra dollars. So does this decrease that fund or is this from General Fund different amount of money? Does this mean if we were to pass this, that we're going to have to look to make other cuts in the budget? As everyone in here is well aware and those watching at home, I'm sure are well aware, I'm not inclined to support anything that could potentially come at the expense of supporting developmental disabilities and funding our waivers and our waitlists for developmental disabilities. So I hope that people are going to have a serious conversation about this bill. I know I'm ready to have a serious conversation about this bill. I'd like to know about where these, where these nuclear plants will be built and have the communities that they're going to be built in agreed to have them built. That is a pretty significant thing for a community to take on, is to have a nuclear power plant. And, yes, it will bring jobs, of course. But how much are those jobs going to pay? And I heard Senator Bostelman say that they were high-paying jobs, but I was told that the jobs in the Imagine Act were high-paying jobs and they pay less than \$20 an hour. And, and the people that work in those jobs still qualify for benefits like SNAP and childcare subsidies. So they're not really that high-paying. So I've said this before, I always oppose tax incentives that benefit the employer but don't benefit the employee. If we aren't making sure that our employees are fully cared for, then I don't believe in giving tax incentives to their employers. And I certainly don't believe in giving tax incentives on the back of children with disabilities or adults with disabilities. And I hope that we as a body will start to have that conversation of what we are prioritizing. Mr. Lieutenant Governor, how much time do I have left?

FOLEY: 5:45.

M. CAVANAUGH: Thank you. OK, I wasn't sure. I couldn't remember if I had five minutes to open or not. So I did just quickly put the amendment up for the enacting clause because I wanted to make sure that I had an amendment up before we moved too quickly through this bill. I actually have some amendments that I would like to bring to this bill. And perhaps when we do eventually get to a vote on this can

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be discussed about putting amendments on between General and Select. I didn't want them to be messy. But I do think that if we're going to continue to open up the statute, that is the Imagine Act, that we should take this opportunity to fix some of the things that were not negotiated in my mind appropriately, such as the wages. I firmly believe that anyone that is getting tax incentives should be paying a livable wage to their employees. And \$15, \$16 an hour, I don't care what part of the state you live in, you qualify for subsidies, then that's not a livable wage. Also, I think we need to clean up the language around benefits about safe and sick leave and health insurance because it says that they have to offer health insurance. But I think there's a lack of clarity as to whether or not the health insurance has to be paid for by the employer. They have to offer it, but that doesn't mean that they have to pay for it. And so I, I think that is additional language that we should be looking to clean up and tighten up in the Imagine Act to insure, because it's my understanding in the conversations that we had last year that the intention was that the employer would be sponsoring health insurance. But it seems to be taken to mean, and I, I welcome anyone to stand for correction, but seems to be taken to mean that they are offering it, not necessarily paying for it. Another thing that I would like to see in statute when it comes to tax dollars, you should-- companies should be held to the highest standards possible. That means LGBTQ protections. An employer should not receive tax dollars if they are not protecting all of their employees against discrimination. And if they don't have a written, explicit policy on LGBTQ protections, then they should not be receiving our state tax dollars because those tax dollars represent everyone in Nebraska, not just the few. OK, I think I'm coming to probably-- how much time?

FOLEY: 2:50.

M. CAVANAUGH: Oh, great. OK, so just reading through the bill, if you go to page 2, it does talk about the tax incentive programs. And so this is another thing and I apologize this could be in the Imagine Act as well. I don't believe it is. But if you look at page 2, starting on line 3: The tax incentive performance audits shall be conducted by the office pursuant to this section on the following tax incentive programs. Then it lists several programs: the Beginning Farmer Tax Credit Act, the Imagine Nebraska Act, 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 Nebraska New Markets Job Growth Investment Act, and any other tax incentive program created by the Legislature

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for the purpose of recruitment or retention of businesses in Nebraska. So that is to me stands out. And this could be something that we have as standard language in all of these bills, but that leaving it open for any other tax incentive program that we might develop. And some of these programs, like the Nebraska Advantage Act, I believe has already sunsetted. So I just-- I'm concerned about the broadness of this legislation. I'm concerned about the fiscal note of this legislation, and I'm concerned about how many more bills are we going to see to change LB1107 from 2020, because it seems to be on a rolling basis here that these just keep coming to the floor to make changes. And I get it, like I wasn't part of the agreement. I was in opposition the entire time to LB1107, but I would hope that the people that negotiated these agreements can stand up--

FOLEY: One minute.

M. CAVANAUGH: --and say, why-- one minute, thank you, can stand up and say why this is something that we should be implementing. Maybe somebody can give an explanation as to why this wasn't included in the first go round. If there's a legitimate reason, that'll take away part of my opposition. But as it stands right now, I feel like we keep having bills come to the floor that are broadening LB1107 from 2020. And I can't support that. And I hope to get some answers on that today. Thank you.

FOLEY: Thank you, Senator Cavanaugh. Debate is now open on the bill and the pending motion. Senator Kolterman.

KOLTERMAN: Thank you very much, Mr. President. Good morning, colleagues. I rise in opposition to MO47 striking the enacting clause. As many of you know, I was the author and worked hard on LB1107, actually LB720. I can tell you that ship has sailed. I think that we have good legislation there. But I will also tell you that the legislation we missed a few things in the legislation. As far as many bills coming to the floor this year, I don't know of one yet that's been here other than this one. I will tell you that there probably was a mistake by not including this into an amendment that's coming later or a bill, LB18, where we did miss a few NIC codes. And so we'll be bringing that later on. I believe that's a, that's a priority bill that was-- that we've passed out. It will be heard on the floor and it's merely cleaning up what was missed. This bill, Senator Bostelman talked to me late last year as we were debating LB1107 and asked if it could be included. And we said, no, we'll wait. And there's going to be a few other things that we need to clean up. We'll work on that next year and he brought this. Again, I-- it should have probably been included in LB18, but it wasn't. I rise 100 percent in support of

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this. As far as breaking the bank on this, I'll remind you that when we passed LB1107 last year, we have limits on what we can spend on an annual basis. We have \$100 million the first year, \$100 million the second, \$125 the third, \$125 the fourth, \$150 the sixth, \$150 the seventh. And then it goes to 3 percent for the rest of the ten-year sunset. As far as discrimination, I will tell you that we were very clear in our bill, LB1107, that we will not discriminate, period. Doesn't matter what you want to be discriminated against, we will not discriminate. So I, I don't understand the rationale behind trying to kill a bill that is merely a cleanup. I appreciate the fact that you can bring an enacting clause. But if we want to just talk, let's just talk. At the same time, this is good legislation. It could, it could actually help us boost our economy. These are good-paying jobs. And by the way, that fiscal note deals with the revenue generated, I believe, the \$187 million. And so that's a huge deal. With that, I would yield the rest of my time to Senator Bostelman and hope we can support this LB84 and vote down MO47. Thank you.

FOLEY: Thank you, Senator Kolterman. Senator Bostelman, 2:00.

BOSTELMAN: Thank you, Senator Kolterman for your support. Want to address a couple of things. If you look at the fiscal note, I'll do that first. It's, it's basing its numbers off of a current large-scale facility at \$12 billion. None of, none of the things I'm talking about today goes anywhere near that. Also, remember in my opening that there is \$40 million in grant funds and there is \$2 billion in guaranteed loans from DOE that take care of the fiscal aspect of this. I spoke to the Fiscal Office about this at length. However, it still continues to put information in here that is not accurate and does not pertain to what we're talking about today. So DOE provides the funding--

FOLEY: One minute.

BOSTELMAN: --to construct and all the legal work that needs to be done for this is in their grants and in their loans. In fact, last October, Bill Gates, TerraPower, LLC won an \$80 million in funding from the U.S. Department of Energy for their Natrium design and DOE awarded the money through the advanced reactor demonstration program, which has been announced. Has an announcement of nearly \$3.9 billion, billion in funding to support a pipeline of advanced nuclear technologies that will be available in the 2020s and early 2030s. And I want to also highlight that President Biden's administration supports the new advanced nuclear technologies, and it needs to be a part of the new portfolios that we put out in zero carbon emissions and clean, reliant energy. This is his support--

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FOLEY: That's time, Senator. That's time.

BOSTELMAN: Thank you.

FOLEY: Thank you, Senator Bostelman. Senator Slama.

SLAMA: Thank you, Mr. President. And good morning, colleagues. I rise today in strong support of LB84 and opposed to Senator Cavanaugh's motion. LB84 is a very exciting bill, and I'm glad we're taking a little bit of time to discuss it today. Senator Kolterman is right, this is a cleanup bill at its very core. So the exciting thing about small-cell nuclear technology is it, it, it, like traditional nuclear could be a solid power generation option. There's no CO2 emissions. And in terms of traditional nuclear, we have one large nuclear facility left. It's in my district, Cooper Nuclear Station. And we see that these nuclear stations provide high-paying jobs, high retention rates. The folks that work there work there for decades. My dad is one of them. So I was raised with nuclear energy. And I understand the importance of having that be in our power mix. There's perhaps been no more important time to have nuclear energy in our power energy production mix than right now. We are seeing a transition to more renewable energies, more green energies, nuclear energy is as green as you can get. There are no CO2 emissions. The biggest struggle that we have with traditional large-scale nuclear is the lack of flexibility when it comes to this power grid, because renewables fluctuate wildly in terms of the amount of energy produced. We saw that this winter where when the wind stopped blowing and it's cloudy outside, you see that production drop off. Now nuclear energy, coal energy, other forms of energy production have to carry that load. Otherwise, you can compromise the power grid. Coal plants can be scaled back as the demand fluctuates with wind and solar energy. But large-scale nuclear facilities have to run at about 100 percent all the time. So there are times where running at 100 percent really isn't the most cost-effective option, especially now that we are a part of the Southwest Power Pool. SMR is exciting in the fact that you can turn on and off these reactors and it's far more flexible. It's, it's going to be a big boon to our state if we can get this attached to the Imagine Nebraska Act and small cell nuclear reactors are, are coming. Nebraska has a great opportunity here to be a leader on that front. And I'm grateful for Senator Bostelman bringing this bill. And with that, I yield the remainder of my time to Senator Bostelman to address some of the questions raised.

FOLEY: Thank you, Senator Slama. Senator Bostelman, 2:00.

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BOSTELMAN: Thank you, Mr. President. The average wage of a person who, employee of these facilities is \$85,000 a year, \$85,000 a year. So there's a significant increase in, in wage income in the state, economic development in the state, hundreds of millions of dollars. And I'll talk about that later if need be. But the demonstration-- and remember, the federal government is already funding these and the federal government has said they'll continue to fund, fund these. The demonstration pathways supports two companies, TerraPower, which I already talked about, and X-energy, LLC, and they are to deploy advanced reactors in seven years. The risk reduction pathway will, will fund designs to be commercialized approximately five years after that. So who, who else is working on this? BMX Technologies and Holtec International, Kairos Power, LLC, Southern Company Services, and Westinghouse Electric Company are supported in this pathway. The Advanced Reactor Concepts-20 pathway supports designs with the potential of being demonstrated in 2035 time frame.

FOLEY: One minute.

BOSTELMAN: There's three companies, there's three companies-- organizations there. We're talking about Advanced Reactor Concepts, LLC, General Atomics, and the Massachusetts Institute of Technology, MIT, are supported through this pathway. So once again, high-dollar jobs, clean energy, they're only applying if they would apply. Federal dollars, DOE guaranteed loans covers construction and licensing. So we're talking about FTEs for employees, potentially. So this is going to be no different than any other company that applies. We-- when we passed the act last year, we didn't list all the companies who potentially could apply and what that fiscal impact could be. So there is no fiscal impact. It might be in the years out if they do apply for funding for employees,--

FOLEY: That's time, Senator.

BOSTELMAN: --because-- thank you.

FOLEY: Thank you, Senator Bostelman. Senator Linehan.

LINEHAN: Thank you, Mr. President. And thank you, colleagues. Senator Machaela Cavanaugh raised some good points this morning. I understand her concerns looking at the fiscal note. But here's what-- here-- and I just want to kind of reemphasize what Senator Kolterman said. When this was all negotiated, it was very clear that there's a cap on the overall program. So in reality, there is no fiscal note, because we're not raising the cap on the overall program. But legitimate question, one that others have had. But since, as Senator Kolterman said, it's

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capped every year up until the eighth or ninth year, when we get to 3 percent of the budget, there's a, there's a cap. So this, this would have to come under that cap. So there's no new fiscal note here in reality. Other question on the wages, the salaries, that was part-- big part of the negotiations. You were right. We didn't want to incentivize jobs where they-- children were on CHIP and all the things you said. We worked very hard to make certain that was not the case. And I think you said something about \$20 an hour, \$20 an hour times 40 hours is 800 bucks a week, \$800 a week is \$41,600, plus they're offered benefits. Plus, you can't get people to work for you with less than that. So we're not-- that is very different than Nebraska Advantage. This was a big part of what Senator Kolterman worked on. And I-- all your questions again, all your concerns, they're, they're good questions, but I think we addressed those. So that's the part, there is no fiscal note, these are good-paying jobs. Now go the second part, maybe there'll be three parts here. Why wasn't it included originally? Because this was-- this is new technology. We, we didn't-- like Senator Kolterman said, Senator Bostelman came to me, too. It was too late. We hadn't had a hearing on it. The whole rule about you can't put something in that you don't have a hearing. It was too late to have a hearing. So I promised Senator Bostelman I would work with him this year. We want this technology in Nebraska. It's clean energy. It can be scaled up and down. I'm not the expert on this, but the way I remember one of these can fit like in a trailer that you would put on a truck and you can connect them together. We can get energy to places in rural Nebraska that we can't do nuclear energy, can't maybe sometimes get energy to them in a fiscally reasonable way. So this is really important to Nebraska. It's not going to change anything on the cost of our incentive plan. And these are excellent, good-paying jobs that can help rural Nebraska as well as the rest of Nebraska. So I would really much appreciate your support for LB84. And I would like to move this on, but it is good conversation. I appreciate the opportunity to answer the questions. Thank you.

FOLEY: Thank you, Senator Linehan. Senator Wayne. He waives. Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you. And thank you for the answers to a lot of my questions. I appreciate the-- \$85,000 is a livable wage, I think by most people's standards. So thank you for that information, Senator Bostelman. I did want to respond to Senator Kolterman's comment about LB1107 and will not discriminate, period. So, yes, that is factual that LB1107 does say that we will not discriminate-- or companies cannot discriminate, period. However, that is factual to our state statute of what employment discrimination is. And since we have not

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passed a discrimination bill such as LB627, Senator Pansing Brooks's bill last year, since we have not passed that, there's nothing in statute that explicitly protects our LGBTQ workers. And so saying that we will not discriminate, period, still leaves that ambiguous until we have that explicitly stated in our employment statutes. That said, I did also just speak with Senator Bostelman about this, and he told me that this-- because this is federal dollars, they have to abide by federal regulations. So there will be that protection in there because of federal dollars, which I appreciate. But this, this does highlight the need for us as a state to do more in those protections. So for those in the LGBTQ community watching at home, if you get a job at a nuclear plant that gets this funding, you can know that you are not going to be discriminated against by your employer. If you get a job in one of the other tax incentive businesses that gets ImagiNE Act dollars, that might not be the case because we have not yet passed comprehensive protections for the workplace. I very much appreciate Senator Bostelman's time on this bill. And I have said to him numerous times, I am not a fan of the ImagiNE Act or tax incentives. I do, however, recognize that this is an important piece of legislation. And I have even spoken to the other Senator Cavanaugh about the environmental impacts. And most of my concerns have been assuaged. So I will pull my motion to strike the enacting clause and let us go to a vote. I'm done for the day on this bill. Thank you.

FOLEY: Thank you, Senator Cavanaugh. MO47 has been withdrawn. Continuing discussion, Senator McCollister.

McCOLLISTER: Thank you, Mr. President. Good morning, colleagues. I served four years on the Natural Resources Committee and talked to the sponsor of this bill about small nuclear reactors, which could very well be part of our continuing effort to reduce carbon in the atmosphere and these, these little nuclear plants could very well do that. Wondering if the senator would yield to a few questions?

FOLEY: Senator Bostelman, would you yield, please?

BOSTELMAN: Yes.

McCOLLISTER: Senator, who would be the possible initiators of, of such a project like that in Nebraska?

BOSTELMAN: Well, it would be the private companies. The ones I mentioned before, the TerraPowers, the Holtecs, those would be the initiators.

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McCOLLISTER: So they would initiate this project. Would they probably be working with some kind of power purchase arrangement with some of our public utilities?

BOSTELMAN: That's a possibility. I think that's something that always could be a possibility with any power generation. Yes.

McCOLLISTER: Well, since they have the distribution network, it would seem logical to me that, you know, they'd have to work with NPPD or OPPD to make that actually happen. Would a plant put into operation have the same approval process that somebody wanting to put in a, a wind tower have to undergo?

BOSTELMAN: Yes, I believe it will have the same, same requirement since it's a private entity and not a public power putting it in. It would be the same. Yes.

McCOLLISTER: What would happen to the nuclear waste that would be coming out of those little plants?

BOSTELMAN: That's a good question. A couple of answers to that. One is there's new breeder reactors that are out that have been developed that are out there that actually use up all the fuel. So they'll use up the spent fuel themselves. The other one is we can reprocess in this country so we can reprocess it. And if that's not done, then it's stored on site, current safety measures and that, and they're stored on site until they either reprocess it or find another facility to store it.

McCOLLISTER: How soon do you think these little plants will be a viable alternative to some of the coal-fired plants that we have in the state? Is it imminent or is it-- will we look on 20, 30 years down the road?

BOSTELMAN: Some of the micros and SMRs, we're talking five to seven years out. So I would call, you know, in, in the grand scheme of things, it would be very quick or very imminent. It's not within a year or two, but five years, ten years down the line that they could potentially take over in those roles.

McCOLLISTER: Thank you. Thank you, Senator Bostelman. You know, I think this is something that we do need to look at. We need to look at all forms of energy, find those forms of energy that produce less carbon and improve our environment, but also keeping electricity costs at a current, current low level in Nebraska. We do have low-cost power and it's important for our consumers to have that power at low cost

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and also make certain that it's always there. Thank you, Mr. President.

FOLEY: Thank you, Senator McCollister. Any further discussion? I see none. Senator Bostelman, you're recognized to close on the advance of the bill.

BOSTELMAN: Thank you, Mr. President. Thank you for the discussion this morning. Thank you, Senator Machaela Cavanaugh, for asking the questions. And I appreciate the opportunity to answer those. I want to thank Senator Slama, Senator Linehan, Senator Kolterman, Senator McCollister all for speaking on the bill. This is important for us as we look to the future. Advanced nuclear is a very important part of the energy mix that we need to have for a reliable, clean, carbon-free energy. This is a way that I think that will make a significant difference. And think about February again, when we had rolling blackouts. If we had a couple of these strategically placed in the state, that probably wouldn't have happened. So with that, I ask for your green vote. And thank you, Mr. President.

FOLEY: Thank you, Senator Bostelman. Members, the question before the body is the advance of LB84 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 36 ayes, 1 nay on the motion to advance the bill.

FOLEY: LB84 advances. Proceeding to LB366.

ASSISTANT CLERK: Mr. President, LB366, offered by Senator Briese. It is a bill for an act relating to the Nebraska Advantage Microenterprise Tax Credit Act; to redefine a term; change termination date of the act; change provisions relating to tax credit amounts and reporting requirements; provide for applicability; and repeal the original sections. Bill was introduced on January 13, referred to the Revenue Committee, placed on General File with committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Briese, you're recognized to open on LB366.

BRIESE: Thank you, Mr. President. And good morning, colleagues. I rise today to introduce LB366, which seeks to amend the Nebraska Advantage Microenterprise Tax Credit Act and extend the sunset. I first want to thank Chairwoman Linehan and my fellow members of the Revenue Committee for advancing this bill unanimously. And I'd also like, like to thank Speaker Hilgers for prioritizing this bill as one of his

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Speaker priorities. I really also want to thank the folks that came in and testified in support of this legislation, including several from my district. And they included folks who have used this program, have been in the middle of navigating this program, and some economic development folks. And they made a compelling case for this program and why the updates in LB366 are necessary. The Microenterprise Tax Credit was first implemented in 2005. It is only available to businesses with five or fewer full-time employees. To qualify, these businesses must make a qualifying investment or qualifying increase in employment. Currently, approved applicants will receive a 20 percent tax credit for up to a maximum of \$10,000. The total credits approved under the program is limited to \$2 million annually, an amount that is typically not reached in any one year. This program has made a tremendous impact in my district, with more than 340 total credit users since 2007. This has taken place in step with the economic rejuvenation of communities across the district. Knowing how important small businesses are in my own district and the impact that this program has made toward their success, I believe this credit could be used by many others across the state. So what does the green copy of the bill do? First, this bill will ease limitations on related parties. Current limitations prohibit linear family members from using the program once another has used the maximum amount, even if we're talking about completely separate businesses. And that can be problematic for folks interested in using the program. And we heard testimony at the hearing to that effect. This update would allow different family members to apply relative to different businesses, except in the case of minor children and parent. And it further defines related parties somewhat consistent with some IRC-- excuse me, Internal Revenue Code definitions found in Section 267 and 707, dealing with common ownership of partnerships, trusts, corporations, etcetera. Second, the green copy would decrease the reimbursement amount for depreciable personal property from 20 percent to 10 percent. This change was intended to put more weight on job and income creation to goals of state business programs. However, after input from some stakeholders, this provision will be deleted with a committee amendment. Third, the maximum credit would be doubled from \$10,000 to \$20,000. The credit amount has not changed since the program was started in 2005. Over 16 years, there has been steady inflationary pressure on business costs and that-- and that's reflected by this change. Fourth, it amends the reporting requirements for the Department of Revenue, which are delivered annually to the Appropriations and Revenue Committees. The new requirements include the reporting of the identity of the taxpayer earning the credit, the location of the business, new investment or employment produced, and the total credits used over a two-year period. These new reporting

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requirements should enable the committee and the Legislature to ensure the credits are being used as intended. They will help ensure transparency and accountability, which should always be a goal of any incentive program. Finally, the green copy would extend the credit to 2024. It is currently set to expire in 2022. And I want to note this is the only state program which provides direct financial assistance for small businesses demonstrating growth of income unemployment akin to larger programs like ImagiNE Nebraska. Very few of the businesses eligible for this program would be able to meet the requirements of other state programs. I would ask for your support of LB366. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Senator Linehan, you're recognized to open on the committee amendment, AM436. Is Senator Linehan on the floor, please? Senator, Senator Briese, can you handle the committee amendment? Senator Briese.

BRIESE: Yes. Yes, the committee amendment AM436 does two things, it reverts back to the original language as a qualifying investment, including 20 percent of the taxpayer's new investment and 20 percent of the taxpayer's new employment, eliminating the reduction to 10 percent on depreciable property. And it also extends the sunset to 2032 instead of 2024. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Debate is now open on LB366 and the pending committee amendment. Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you, Mr. Lieutenant Governor. Would Senator Briese yield to a question?

FOLEY: Senator Briese, would you yield, please?

BRIESE: Yes, I would.

M. CAVANAUGH: Thank you, Senator Briese. So the amendment extends the sunset. So initially, it was supposed to sunset in 2022 and your green copy extends it to 2024, but now the amendment, the committee amendment extends it to 2032. Could you explain the rationale on that?

BRIESE: Yes, that would line up more closely with the ImagiNE Act that we passed, that this body passed last session. It would create more reliability and consistency for businesses anticipating an expansion in years going forward and provide some stability there for those businesses.

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M. CAVANAUGH: And I apologize. I don't know enough of the history of the Microenterprise Tax Credit Act. When was that first enacted?

BRIESE: I believe it was 2005.

M. CAVANAUGH: OK, and so the intention of your bill is to collect information as to how it's working?

BRIESE: Yes, the bill has multiple parts, but that is one component of the bill, to collect more information to, to help us ensure that it's being used appropriately and as intended to increase transparency and accountability. But yes, that is only one part of it.

M. CAVANAUGH: OK, and so that's something that wasn't done when it was first, I guess, the last 15 years?

BRIESE: Not, not to the extent that my, my bill provides here. I could pull up the old language and tell you what it did previously, but it wasn't as comprehensive as this and doesn't ensure the-- or doesn't help us on our way to more transparency as much as this language would.

M. CAVANAUGH: Do you happen to know the bill number from 2005? I could just look it up, if you, if you do.

BRIESE: No, I do not.

M. CAVANAUGH: OK.

BRIESE: I could find it for you.

M. CAVANAUGH: That's OK. I can.

BRIESE: Actually, I think I have it here somewhere. But I--

M. CAVANAUGH: OK.

BRIESE: --I'll get it to you.

M. CAVANAUGH: OK, and so in addition to collecting more information and extending the date out, could you just tell me a little bit more about what this does?

BRIESE: Well, it also increases the lifetime maximum for any one applicant from \$10,000 to \$20,000. And, you know, the \$10,000 was put in place, what, 16 years ago, and inflationary pressures would make

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that cap obsolete relative to what it probably should be at this point. So that's why we're raising it to \$20,000.

M. CAVANAUGH: So--

BRIESE: And, and again, this idea was brought to us by stakeholders and we had very compelling testimony at the hearing suggesting the need for that increase.

M. CAVANAUGH: So the increase-- those businesses that have previously received \$10,000, will they be eligible for an additional \$10,000?

BRIESE: The provisions of this bill would only apply to new applications.

M. CAVANAUGH: OK.

BRIESE: In other words, applications submitted after the effective date of this act. So they would-- if, if one of the same businesses qualifies for it, they would have to apply again, it would have to be relative to new investment or new employment--

M. CAVANAUGH: OK.

BRIESE: --going forward.

M. CAVANAUGH: But theoretically, they'll be able to access this as well.

BRIESE: Yes.

M. CAVANAUGH: OK.

BRIESE: Yes, with a new application and with new investment in employment--

M. CAVANAUGH: OK.

BRIESE: --demonstrated.

M. CAVANAUGH: OK, thank you very much. That's--

BRIESE: Sure.

M. CAVANAUGH: --very helpful information. The language, the clarifying language for collecting or for transparency and collecting information, is this language also mirrored in the ImagiNE Act?

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BRIESE: For me?

M. CAVANAUGH: Yeah.

BRIESE: I'm not sure about that. I'd have to look at the Imagine Act to be certain of that.

M. CAVANAUGH: OK. OK, thank you, Senator Briese. Appreciate your time. Do I have any time left?

FOLEY: One minute.

M. CAVANAUGH: OK. So I-- I'm not-- I'm neutral on this at this point in time. I am a little concerned about the extending date to 2032. I appreciate what Senator Briese said about trying to align it with the Imagine Act and create stability in, in for these businesses. But my concern is if we are seeking to collect more information to see if this is doing what it was intended to do, that we should collect that information before we put a sunset date of 11 years out. And I would actually say the same thing for the Imagine Act is that we should be creating a sunset date and having-- collecting data to make sure that we are actually achieving what we set out to achieve in the first place. So thank you, Mr. Lieutenant Governor.

FOLEY: Thank you, Senator Cavanaugh. Senator Linehan, we-- Senator Briese opened on the committee amendment. But if you'd like to add some comments, you're welcome to do so.

LINEHAN: Thank you, Mr. President. Senator Briese's done a good job of explaining the provisions of LB366. AM436 is the committee amendment. AM436 was amended into LB366 by an 8-0 vote. The first change to LB366 may be found on page 5. The committee amendment is extending the sunset date from-- on line 12 from December 31, 2024 to December 31, 2032. And again as Senator Briese mentioned, it's to align with the Imagine Act, even though this is a very separate program. Section 3 on page 5 is the refundable tax credits will now be equal to 20 percent of the new-- of the taxpayer's new investment and 20 percent of the taxpayer's new employment. Thank you. And I'd be happy to answer any questions. And I would appreciate your support on AM436 and LB366. Thank you very much.

FOLEY: Thank you, Senator Linehan. Continuing discussion. Senator Brandt.

BRANDT: Thank you, Mr. Lieutenant Governor. And thank you, Senator Briese, for bringing this bill. I want to give a few comments on why I

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support LB366. My district, like most districts, has a tremendous number of small businesses. Roughly 70 percent of the businesses in District 32 have 20 or fewer employees, and the majority of these have under 5. These businesses are the heart of our communities. They not only provide valuable services, which boost local economies and ensure everyone has access to necessities, they also make up a substantial portion of the jobs and income across the district and the state. The Microenterprise Tax Credit is the sole program dedicated to those with five or fewer full-time employees. And it requires a commitment to generate a new income-- generate new income, and has proven to be a successful strategy for growing local economies with higher user success rate and impressive job growth. LB366 both extends and makes meaningful improvements to a program that has been mostly unchanged for more than 15 years. Raising the maximum credit amount, for example, reflects the increased cost of operating a modern small business since 2005. Adding new reporting requirements, which would be due to the Legislature annually, will help us keep a close eye on the credit to make sure it is working appropriately. These are welcome improvements after a year when many entrepreneurs delayed their investments until the economy stabilized. I believe we all recognize the importance of small businesses and want to see their success across the state. They are engines of innovation, community, and growth. LB366 will help ensure the Microenterprise Tax Credit is working well for entrepreneurs, their communities, and the state of Nebraska. Thank you, Mr. Lieutenant Governor. And I would encourage everyone to vote for the amendment and for LB366.

FOLEY: Thank you, Senator Brandt. Senator Day.

DAY: Thank you, Mr. President. I rise in support of LB366 and amendment-- committee amendment, AM436. As a small business owner, I wish I had heard about the Nebraska Advantage Microenterprise Tax Credit much sooner than now that I'm in the Legislature. But at the age of 26 for my husband and 29 for myself, we decided that we wanted to open a small business doing what we loved and owning our own business. And we were young and we were young parents. But we decided that it was something that was important enough to us that we were going to work through the really tough parts of it and make it happen. I think a lot of people think that owning a business or owning a small business is incredibly financially lucrative. And so sometimes when we would tell people that we were small business owners, they would think, oh, my gosh, you know, you guys must be doing really well or this and that. And to be really honest, it's really, really, really difficult. A lot of the money that we make, almost all of it goes right back into the business. And for many years, we were driving cars

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that were falling apart and living in, in apartments and, and homes that were falling apart. And it was really tough for us to get by. And I feel like programs like that, that are described in LB366 are a crucial lifeline to small businesses in Nebraska and serve as a, a really important conduit to being able to grow small businesses for, for Nebraskans. Again, we have really large, robust corporate tax incentive programs in Nebraska, like the Imagine Act, which was formerly the Nebraska Advantage Act. And those are great and wonderful, but I think we could do a better job of supporting local small businesses. Many of these businesses are opened by Nebraskans that were born here that opened their business and plan on staying here for the rest of their lives. And this is what allows them to survive. And programs like this are really important to those small businesses and being able to grow the business and support your family on the income that you have. So I fully support the committee amendment and I support the underlying bill, LB366, and I urge you all to vote green. Thank you.

FOLEY: Thank you, Senator Day. Senator Groene.

GROENE: Thank you, Mr. President. I have some real doubts about LB366. I used to be on the Revenue Committee and what I remember from testimony and attempts to extend the, the sunset date was it was underutilized for a reason and not a \$2 million average, \$1.2 million. And I never did get clarity because they don't disclose who does it. But it sounded to me like it was professionals. It was a lawyer. It was an accountant, somebody who knew the law added a secretary or just their own wages. If they hired their spouse, they, they were claiming it. And for small business, all needed was, was a degree and a office and a desk. Really small businesses under five, they were professionals, not the brick-and-mortar type that got their hands dirty. And ten-year extension is way too long. That's too long for any institutional memory because of eight-year term limits to know what the debate was. Really, we shouldn't be doing anything in this body on sunsets more than five years, as far as I'm concerned. So there might be somebody around who remembered the last time it came up. It's a feel-good bill I thought, a program that really wasn't needed, wasn't accepted out there widely by the-- by small businesses. And I have a hard time with it. I don't like the fiscal note either. I'm trying to figure out why it takes \$125,000 cost to the agency to, to expand this when they've already have an existing employee I would assume that knows the background of this and runs these apps. But \$125,000 is kind of steep as far as I'm concerned. But I-- if AM346 and ten years is passed as I probably can't support the bill. I could live with another

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two years to see if it works, see if it improves it. I'd sure like to know, but maybe Senator Briese would answer a question.

FOLEY: Senator Briese, would you yield, please?

BRIESE: Yes.

GROENE: Were you given examples in the hearing, you probably were, of what types of businesses are utilizing this? Has it changed from when I was on the committee?

BRIESE: Well, at the hearing, we probably had a, a representative of agriculture in there. We had an accountant in there that described the reason for some of the need here. I think percentagewise, ag has utilized-- has been the applicant about 33 percent of these successful applications, the construction industry by 11 percent, professional by 11 percent, retail 8 percent, healthcare 7 percent. Specifically relative to those categories, I don't, I don't exactly know what type of operations within those categories.

GROENE: All right, thank you. We got them-- I understand it's five employees or less. I-- most of those individuals and most accountants don't even know this exist. Those individuals are struggling now unless they're a professional organization who has more income than they have expenses. But, you know, we're going to tax credit ourselves to death here. I've always thought that we-- well, I just put it this way, I always used to say on this floor, everybody gets a tax break or nobody does. That's the way we should look at things, I believe. If you think these folks are paying too high individual tax rate, then raise that lower end--

FOLEY: One minute.

GROENE: --bracket where, where they-- it doesn't kick in the higher rates as soon if you really want to help these small businesses and help them all, not just one or two, that just happens to have an accountant that's-- I'd like to see a map, too, with pins in it around the state of Nebraska where this has been used. And I would bet you it follows an accountant who understood it and has told their, their customers about it. It's-- I bet it's in clusters. But anyway, I cannot support a ten-year extension of this. It didn't prove well-received in the first place. And now we're extending something that just on basis of feel good. Thank you. Appreciate the time to speak.

FOLEY: Thank you, Senator Groene. Senator Dorn.

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DORN: Thank you, Mr. Lieutenant Governor. I do stand in support of LB366 and AM436. Part of when what we do as a state is our economic development as working with, I call it economic development group, like a group in Beatrice, one of the themes that they always drove home was not so much of the new economic development or the new businesses that you create, but also retaining the ones that are now existing. Those existing businesses that are there is a vital, vital part of our economy. And to make sure that we have things in place or benefits or application like this or a, a program like this, that we can do things to help keep them in business and maybe have the opportunity to grow. Would Senator Briese yield to a question?

FOLEY: Senator Briese, would you yield, please?

BRIESE: Yes.

DORN: Senator Briese, in the handout that you handed out, it said that the first 8 years of the program, about 200 applications came through annually. And since then, though, in like in 2019, less than half of the available credit was approved. Can you give some explanation, little bit of explanation on that? Why is that happening?

BRIESE: Well, based on what I heard at the hearing and based on just surmising some of these items, I think it was back in '08, they limited an ag producer's participation in this program to someone having a net worth of less than \$200,000. And that took some folks out of the picture and would have reduced participation, I believe. Also, I understand from several of testifiers that the \$10,000 cap is problematic and expansion of that cap will be helpful. And then as far as the family member limitation, that can cause some constriction of the applicant. And they've all-- and some of the testifiers also indicated that it is not an easy application to fill out. There are some administrative difficulties with applying for it. And so I think there is a multitude of reasons why it is potentially not utilized to the extent it could be.

DORN: Thank you. Thank you for that-- those comments. Would Senator Kolterman yield to a question?

FOLEY: Senator Kolterman, would you yield, please?

KOLTERMAN: Yes, I would.

DORN: Thank you, Senator Kolterman. You came and talked to me a little bit about this and the relationship to the ImagiNE Act. Could you explain that?

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KOLTERMAN: Well, I just was going to indicate that this is not part of the, of the Imagine Act. It was not ever included in LB1107 or the Advantage Act that we served as a pass-through at one point in time. But it's no longer part of it. But it is good legislation and it, and it does help the smaller businesses. So I support it as well.

DORN: Thank you. Thank you very much. There were comments earlier that it was, it is not a part of the Imagine Act. Senator Groene mentioned that, you know, sometimes in certain areas of the state it might be a tax accountant or that type of person, that there would be, I call it, a cluster of maybe applications in that area. Some of the problems I see maybe with this and I, I never looked at the form to see what it was like, but sometimes you have individuals or small businesses that may look at it and go the cost to apply, the cost to be approved, if you have to hire maybe somebody to help you with it an accountant or even if you would have to hire an attorney to interpret it or something, sometimes the cost starts eroding from that \$10,000 grant that you could get. So I do know that, that was a thing that has been mentioned to me several times with our income tax credit fund that we did with LB1107, that there have been several people--

FOLEY: One minute.

DORN: --or numerous people that have not applied for that because it would cost more to have their tax accountant fill that form out than what they would receive back, so. But I do stand very much in support of this. I think this would be a good thing to have a ten set-- ten-year sunset on. I think this is a good program that would help rural Nebraska and a lot of small businesses. So I'll yield the rest of my time.

FOLEY: That's-- thank you, Senator Dorn. Senator Briese.

BRIESE: Thank you, Mr. President. I rise in support of the committee amendment. This bill, as amended, would increase the effectiveness of these incentives. I know it creates more certainty for our small business owners knowing that this program will be available until 2032 like the Imagine Act. 2020 was also a tumultuous year for all business owners. Many owners put off investment due to the unpredictable economic climate we were in, we were in. Some had to dig deep into their savings to stay open and others were forced to close altogether. And we have to think strategically about how we will get back to where we started a year ago and continue building, and utilizing the tools we already have available to us like the Microenterprise Tax Credit program is the ideal starting place. These changes are not meant to significantly alter the program's function, but only to make it more

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effective for potential users and the state's economic goals. Things are bound to change over 15 years, and this bill and amendment will reflect some of the necessary changes. And earlier it was brought up that someone suggested everybody needs to get a tax break or nobody does. And, and I agree with that statement, Senator Groene, but we do that all the time. You know, we pick and choose all the time. But the hope is that eventually it kind of evens out and everybody does get one at the end of the day. You know, we talked about LB40 here last few weeks, and that was targeting a specific recipient of a tax break. And again, ideally, we hope things even out over time. And, and I'm going to talk about that on the, on the sales tax on the water bill in LB26. And as far as where it is used, how often it's used, I understand it has been accessed in nearly 80 counties and some of the highest per capita impact is some of the smaller counties out there. And the fact we're going ten years on it, that's just to reflect or just to kind of keep us up with what the Imagine Act does. It doesn't seem right to me to extend the Imagine Act for ten years and say, but let's only go two years at a time here. But anyway, that's the purpose for that. But I, I appreciate, Senator Groene's comments, Senator Dorn's comments, Senator Brandt's comments, Senator Day's comments, and everyone else who-- and Senator Cavanaugh's questions. Appreciate the comments. Appreciate the debate. But I would urge your support of AM436. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Senator Linehan, you're recognized to close on the committee amendment. She waives closing. Question before the body is the adoption of the committee amendment, AM436. Those in favor vote aye; those opposed suppose vote nay. Have you all voted who care to? Record, please. Record.

ASSISTANT CLERK: 39 ayes, 1 nay on the adoption of committee amendments.

FOLEY: The committee amendment, AM436 has been adopted. Senator Briese, you're recognized to close on the advance of the bill. He waives closing. Question before the body is the advance of LB366 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, please.

ASSISTANT CLERK: 41 ayes, 1 nay to advance the bill, Mr. President.

FOLEY: LB366 advances. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB366A, offered by Senator Briese. It's a bill for an act relating to appropriations; to carry out the provisions of LB366.

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FOLEY: Senator Briese, you're recognized open on the A bill.

BRIESE: Thank you, Mr. President. Good morning again, colleagues. I rise to offer LB366A. It's simply the A bill to LB366. According to the fiscal note, the provisions of LB366 will require a half FTE in the position of Fiscal Compliance Analyst to revise the application process for the first year. In addition, the department will utilize one FTE IT developer senior position in the first year to create a new Microenterprise program. And Senator Groene, I respect your questions about that earlier where these numbers come from, and not exactly sure but just what was provided to us. And these were represented as being necessary to implement the provisions of LB366A and I'd ask for your support. Thank you, Mr. President.

FOLEY: Thank you, Senator Briese. Discussion on the A bill? I see none. Senator Briese, you're recognized to close on the advance of the A bill. He waives closing. Question before the body is the advance of LB366A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 39 ayes, 1 nay, Mr. President, on the motion to advance the bill.

FOLEY: LB366A advances. LB682, Mr. Clerk.

ASSISTANT CLERK: LB682, offered by Senator Linehan. It's a bill for an act relating to revenue and taxation; to change the New Markets Job Growth Investment Act as prescribed; to harmonize provisions; repeal the original sections. Bill was introduced on January 20, referred to the Revenue Committee, placed on General File with committee amendments.

FOLEY: Senator Linehan, you're recognized to open on LB682.

LINEHAN: Thank you, Mr. President. I'm introducing LB682 which would extend the New Markets Job Growth Investment Act. I'd like to thank Speaker Hilgers for making this a Speaker priority. I would like to note that the Revenue Committee amendment AM195 is a white copy amendment and becomes the bill. But most of the core provisions remain the same. The federal New Markets Tax Credit, NMTC was established in 2000. It authorizes the U.S. Department Treasury Department to allocate federal NMTC dollars to be invested in businesses located in low-income communities across the country. From 2003 through 2020, the federal program issued credits worth \$26 billion, and in 2020, Congress extended the program and allocated another \$25 billion over the next five years. The Nebraska program was enacted in 2012. This

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allowed us to piggyback on the federal program and help small businesses located in low-income areas to gain access to capital. The program has proven to be a magnet for investment in Nebraska. Prior to implementing the state program, Nebraska had received a total of \$47.5 million in federal funding, an average of \$4.75 million per year. After the implementation of the state program, Nebraska saw federal funding increase to \$235.2 million, an average of \$58.8 million per year. That it is an increase of more than 10 times the federal investment in Nebraska. If you want to talk about rankings, which I like to, that moved our state from 47th in the country to number 2 in New Markets Tax Credits investment per capita nationwide. Colleagues, I want to point out that LB682 will have no fiscal impact in the current biennium because the credits are not redeemed until years three through seven of the program. There's no fiscal-- there is no fiscal impact until the following two bienniums. This approach ensures all the authorized funds are being put to work before there's any cost to the state. The federal funds are invested by the U.S. Treasury Department and certified Community Development Entities, or CDEs, that must follow a vigorous vetting process to receive their certification. To apply to participate in Nebraska's program, a fund must have this certification. Once a fund is granted investment authority, they put the funds to work in businesses in low-income and distressed areas across Nebraska. LB682 would extend the Nebraska NMTC program through fiscal year '26-27 and allow these CDEs to continue providing finances for businesses that lack access to growth capital through traditional means. Some of the provisions in LB682 are intended to address a few issues that were raised by the 2020 Performance Audit Report. Section 2 of the bill provides specific intent that was found lacking. Number one, to provide access capital to small businesses that are not otherwise able to receive affordable financing. Number two, to attract investment dollars from the federal NMTC program. And number three, to assure Nebraska small businesses have access to capital to retain and add jobs. The report also noted difficulties in matching data between state agencies and unemployment insurance account analysis. LB682 requires annual reports by the CDE to the Tax Commissioner and reporting by the Tax Commissioner to the Legislature, including the name and number of all qualified community development entities approved to participate, the amount of the qualified low-income community investments made by these entities, the location of each qualified active low-income community business, and the number of jobs created or retained as a result. This reporting requirement will also showcase the impact on Nebraska and provide additional transparency to the program. Colleagues, many times our discussions center on whether an outcome would take place with or without the incentive. With the New Markets Act, business would not receive investment, but for the

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program. I have a document. I haven't handed it out because we're-- I know you're all hungry, at least I am, but I will pass it out afterwards of the program's success. The Revenue Committee heard testimony from these businesses and I strongly encourage you to read these stories. One is about-- actually, could the pages come now and I'll give it to them? The Revenue Committee-- excuse me, one is about Carmen Tapio, CEO of North End Teleservices. Since the initial investment, North End now has over 150 employees providing an economic impact of \$261,709 per job. North End is located in north Omaha and provides accessible job opportunities that give employees benefits and greater stability. Today, North End Teleservices is the largest African-American woman-owned business in the state of Nebraska. I introduced this bill because it is important that Nebraska continues to promote proven financing tools that foster and grow small businesses. The New Markets Tax Credit Program does just that by providing capital for Nebraska's businesses to grow. I urge your support of LB682 and the committee amendment. Thank you, Mr. Speaker.

FOLEY: Thank you, Senator Linehan. Items for the record, please.

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Enrollment and Review reports LB39, LB51, and LB51A, all to Select File, some with E&R amendments. New A bill, LB247A by Senator Pansing Brooks, would appropriate funds to carry out the provisions of LB247. Communication from the Governor, engrossed LB379e, LB380e, LB381e, LB382e, LB383e, LB384e, LB385e, LB386e, LB386Ae, and LB666e were received in the Governor's Office, signed and delivered to the Secretary of State on April 26. Name adds: Senator Pansing Brooks to LB275, Senator Blood to LB396. Priority motion, Senator Hilgers would move to recess until 1:30 p.m.

FOLEY: Members, you heard the motion to recess till 1:30. Those in favor say aye. Those opposed say nay. We are in recess till 1:30.

[RECESS]

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

ASSISTANT CLERK: There is a quorum present, Mr. President.

FOLEY: Thanks, sir. Do you have any items for the record?

ASSISTANT CLERK: I have none at this time, Mr. President.

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FOLEY: Thank you, Mr. Clerk. Members, when we took our recess at noon time, we'd already heard the opening on LB396 [SIC--LB682], which takes us to the introduction of the committee amendments. Senator Linehan, you're recognized to open on the committee amendment to LB-- I'm sorry, LB682. Senator Linehan, you're recognized to open on the committee amendment.

LINEHAN: Thank you, Mr. President. AM195 to LB682, colleagues, AM195 is pretty straightforward, it does three things. It eliminates redundant language from the first phase of the NMTC program, and harmon-- harmonizes language with the federal program and sets the date for the Department of Revenue to begin accepting credit applications. The Revenue Committee adopted AM195 on an 8-0 vote and advanced LB682, also on an 8-0-1. So an explanation in how this program has worked was handed out right before the lunch hour. So I'm going to hand-- because I know you all have lots of papers on your desk, so it's this. So if you have questions, you want to look at that and I'm happy to answer questions. And I'm hoping some people-- I have some others lined up that can help answer questions, too, I believe. Thank you.

FOLEY: Thanks, Senator Linehan. In the speaking queue are Senators Brandt, Wishart, and Albrecht. Senator Brandt, you're recognized.

BRANDT: Thank you, Mr. Lieutenant Governor. Would Senator Linehan yield for a question?

FOLEY: Senator Linehan, would--

LINEHAN: Certainly.

FOLEY: --you yield to a question?

BRANDT: Senator Linehan, when you presented this before dinner, you said Nebraska went from 47 to second in the nation. What metric did you use to measure that?

LINEHAN: On the actual increases. So what I said was, prior to implementing the state program, Nebraska had received a total of \$47.5 million in federal funding. So that was over seven years-- over several years, which was an average of 4.7 million-- \$4.75 million per year. After the implementation of the state program, so we also added state grants to it, Nebraska saw federal funding increased to more than \$235.2 million on average of \$58.8 million. So they know how much. So when we did our program, then it became much more popular to garner the federal dollars to Nebraska.

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BRANDT: All right. Thank you. Would Senator Stinner yield to a question?

FOLEY: Senator Stinner, would you yield, please?

STINNER: Yes, I will.

BRANDT: Thank you, Senator Stinner, and I talked to Senator Williams about this a little bit too. Over lunchtime I went through this bill and tried to understand it and it's-- it's a little hard for me to follow and I understand you and Senator Williams have actually used this program or understand this program. Could you tell me from a practical standpoint how a bank in Nebraska utilizes this program and what the benefit is to the business?

STINNER: Yeah, I can give you a real live example. We actually had a customer that did not have a whole lot of equity capital to start a steel fabrication business. And so we-- we were looking outside for investors but this capital pool sits there and obviously you can make application and present your case. But it wasn't all debt financing, they actually came in as a-- as a capital investor in this particular entity. And then we filled some gaps with an SBA loan and obviously, since that time, I think they got 10 or 15 permanent employees with that. So it's access to capital. And if I can take a little bit of your time, I'll give you some background in that as you asked Senator Linehan. Because we went back, if you go back to 2010, 2009, there was a-- there was an outflow of businesses to Iowa and Missouri and a lot of that had to do with venture capital. And we actually had a Bechtold report that was put together at that time, said, here's what you have to do and the Business Innovation Act was part of that. New Markets is also a part of that to give our businesses access to capital for startup capital, for capital that they may need for expansion. So their equity section hasn't been built up, but they have the ability to expand. But as we look at it from a banking side, there has to be some kind of equity capital piece and then a debt capital piece and it all has to fit together and it-- and it needs to work from a sustainability side.

BRANDT: Thank you, Senator Stinner. And I guess I'll ask Senator Williams, would you yield for a question?

FOLEY: Senator Williams, would you yield, please?

WILLIAMS: Certainly.

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BRANDT: I don't know if you can help me with this or not, but on the fiscal note, the first three years show zero and the three out-years, we're showing \$15 million a year for a total of \$45 million in state tax credits. Do those go to the-- do those go to the lender? Is-- is that where those ultimately end up?

WILLIAMS: They ultimately go to the investor. It's not really a lender, but if you look at the-- they are the investment group, the venture capitalists that supply the money to the business that's--

FOLEY: One minute.

WILLIAMS: --expanding, so they get the tax credit and they, yes, you could call it making a loan to the business that's expanding.

BRANDT: All right. Thank you.

FOLEY: Thanks, Senator Brandt and others. Senator Wishart.

WISHART: Thank you, Mr. President. I rise in strong support of LB682 and the committee amendment and thank our Speaker for making this a priority, I believe. Colleagues, this is a one more tool that the Revenue Committee is bringing in front of us for us as a state to be able to grow strategically, especially in areas where there is a need for economic development. I have people and constituents who have reached out to me because using this tool, this-- this tax credit incentive in the past has helped them to develop areas in District 27 and I'm excited that there is a renew-- a renewal of this in a more contemporary form and excited that the-- the opportunity for Nebraska to remain competitive in this space and in economic growth. So I thank Chairwoman Linehan for bringing this before us and I encourage all of you to vote green on LB682. Thank you.

FOLEY: Thanks, Senator Wishart. Senator Albrecht.

ALBRECHT: Thank you, Mr. President. I rise in support of AM195 and LB682. I supported the bill coming out of the Revenue Committee and I wanted to explain how the New Markets Tax Credit program has benefited District 17. The Blue Ox Manufacturing is the largest employer in Pender, Nebraska, a rural town in my district with a population of 1,200. A few years ago, Blue Ox secured a \$10.4 million investment from the New Markets program that helped them to create 20 new jobs in Pender and keep their existing 160 jobs. They've been located there for over 90 years. Keeping Blue Ox in Pender and helping them grow their business has been critical to the success of the small town, and it's made it possible for the New Markets investment to support Blue

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Ox. It's one of several examples of the New Markets investments in District 17. And since the New Markets Tax Credit program began in Nebraska, 40 percent of the investments through this program have been made in rural Nebraska through projects like Blue Ox in Pender, and it's truly a program that benefits both urban and rural Nebraska. I just ask for your vote, green on LB682 and AM195. Thank you.

FOLEY: Thank you, Senator Albrecht. Is there any further discussion on the bill or the amendment? Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you, Mr. Lieutenant Governor. I wonder if Senator Linehan would mind raising for questions-- yielding for a question?

FOLEY: Senator Linehan, would you yield, please?

LINEHAN: Certainly. Thank you.

M. CAVANAUGH: Thank you, Senator Linehan. I was just looking this over, and I think this is a really interesting program. Thank you. One thing I did wonder about was how does this relate to TIF? Do companies that get this loan, do they also qual-- or could they potentially qualify for TIF? And is that taken into consideration in the loaning process?

LINEHAN: I assume that if they were going to build in north Omaha or a low-income area and it qualified for TIF that they might in fact qualify for--

M. CAVANAUGH: But it wouldn't impact-- get TIF, wouldn't impact getting this loan?

LINEHAN: No.

M. CAVANAUGH: OK, thank you. That's my question.

LINEHAN: Thank you.

M. CAVANAUGH: I yield the remainder of my time.

FOLEY: Thanks, Senator Cavanaugh. Senator Linehan, you're recognized to close on the committee amendment.

LINEHAN: I want to thank Senator Stinner, Senator Williams, Senator Brandt, Senator Cavanaugh, Senator Wishart, Senator Albrecht for the conversation and I would ask for your green vote on both the amendment and the underlying bill. Thank you.

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FOLEY: Thanks, Senator Linehan. The question for the body is the adoption of AM195, committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 35 ayes, 0 nays on adoption of committee amendments.

FOLEY: AM195 has been adopted. Any further discussion on the bill as amended? Senator Linehan, you're recognized to close on the advance of the bill. She waives closing. The question for the body is the advance of LB682 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 38 ayes, 0 nays on the motion to advance the bill, Mr. President.

FOLEY: LB682 advances. Proceeding to LB396. Mr. Clerk.

ASSISTANT CLERK: LB396 introduced by Senator Brandt. It's a bill for an act relating to schools to adopt the Nebraska Farm-to-School Program Act. The bill was introduced on January 14, referred to the Education Committee, placed on General File with no committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Brandt, you're recognized to open on LB396.

BRANDT: Thank you, Mr. Lieutenant Governor. Good afternoon, colleagues. Today I'm asking for your support on LB396. A bill to expand the scale and reach of Nebraska-produced food by creating a statewide Farm-to-School program administered by the Nebraska Department of Education with the cooperation of the Nebraska Department of Agriculture. The Nebraska Department of Education would create one full-time position to administer the program and provide networking resources for schools, vegetable and fruit growers, dry bean, grain, meat, egg and dairy producers to increase the quantity of quality local food served in our school cafeterias. I would like to thank Speaker Hilgers for designating LB396 as one of his priority bills. I'd also like to thank Chairman Halloran, the Ag Committee and Rick Leonard for their support of Farm-to-School in passing LR337, the resolution authorizing a task force to examine Farm-to-School and compile a report. Thank you to all the task force members for lending their time and expertise and my current and former staff who oversaw the task force and the report. The bill which grew out of an Agriculture Committee Interim Study Task Force report from last session, authorizes the creation of a Farm-to-School network composed of local producers, school officials, cafeteria managers and other

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stakeholders that would focus on connecting farmers and market gardeners with nearby educational institutions to help supply the fresh foods and products needed to serve Nebraska's children. The final report that the task force worked so hard on is available on the Ag Committee's Web page and contains a lot of in-depth information about Farm-to-School in Nebraska as well as nationwide. The introduction of the report is in the first page of your handout. The following pages include Farm-to-School and educational programs, a couple of maps and pages on statistics on school gardens. The second page of the handout is a map of Farm-to-School programs in Nebraska. The white spaces on the map show the school districts and areas in Nebraska that do not have any program at all. And even for the programs that we do have, we need statewide coordination, which this bill will do. The second map on the last page shows which states have and do not have a statewide Farm-to-School network. As you can see, Nebraska does not have one, while our neighbors in Wyoming, Iowa and Missouri do. Farm-to-School is economic development 101. The economic benefits of Farm-to-School percolate all through our local communities. By providing a stable, reliable market for local produce, Farm-to-School enables Nebraska communities to start recapturing a portion of the 90 percent of our school food dollars that are currently leaving the state according to the Crossroads Resource Center's Nebraska Food and Farm Economy. Nebraska is missing out on a huge economic opportunity to grow our local economies here in one of the agriculture powerhouses of the world. We are hemorrhaging both our tax dollars and our food dollars from our communities and school districts by purchasing out-of-state food to feed our kids. According to the University of Nebraska-Lincoln's Food Systems Initiative, 90 percent of the vegetables Nebraskans consume are imported, 75 percent of the 90 percent are from California. I want to keep our food dollars in Nebraska, not send them to California. Farm-to-School procurement is a business relationship between school nutrition administrators charged with feeding our children and the local farmers and market gardeners who supply the food. Likewise, these same growers are contributing through property taxes that build the budgets of our local school districts. Farm-to-School efforts can keep children focused on the skills they need for success, while simultaneously creating an appreciation of Nebraska's diverse agriculture, economy and heritage. The National School Lunch Program is the largest restaurant chain in the country in Nebraska. We should be aiming to source the bulk of what is served in school cafeterias directly from local producers. With children always needing to eat and schools constituting a stable institutional market, Farm-to-School is one of the most robust economic development tools a local community can employ. Farm-to-School programs are about more than just sourcing and

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...serving food through classroom instruction, field trips, hands-on gardening, students learn more where their food comes from and how it is made. Farm-to-School is a training ground for the farmers, gardeners and the consumers of tomorrow. Developing a resilient local network of producers and suppliers increases our food security. As the COVID-19 pandemic has graphically demonstrated, our national and global food system is subject to distribution bottlenecks and breakdowns. Having our own localized food production and distribution capability greatly increases the likelihood that both we and our children always have plenty to eat. Nebraska farmers brag that we grow food to feed the world. Along with that, I want to grow Nebraska food to feed Nebraska kids. Farm-to-School has immense support across Nebraska and will help our kids, educators, producers and the economy. With that, I ask for your green vote on LB396.

FOLEY: Thanks, Senator Brandt. Is there any discussion on the bill? Senator Hunt.

HUNT: Good afternoon, colleagues, good afternoon, Nebraskans. Nebraska, obviously, as we know, is an agricultural powerhouse, and our state consistently ranks at the top of different lists in the country when it comes to agricultural statistics. 92 percent of our land is devoted to agriculture and feeding the world. And we do it very, very well, but our state actually lags behind many other states when it comes to the local food industry and making sure that we give it the attention it deserves and that we keep our local food local here for our people in Nebraska. In particular, there are wonderful opportunities for our farmers and ranchers in the state to connect with children and with the public schools and private schools that we have here in the state. I am a cosponsor of this bill and I'm very supportive of this bill also because locally produced food is better for the environment. It reduces our carbon footprint and it's better for the environment because it doesn't require as much transportation. A lot of times that food is fresher, it's healthier for our kids and, you know, has everything that our kids need to stay healthy. Another problem that this bill solves is that school cooks and the people who make the lunches for our students are often, you know, they don't have a lot of time and they aren't super familiar with the regulations associated with serving the millions of meals that they prepare every year. They often rely on distributors to do a lot of that work for them. Distributors are driven largely by a desire to make profits and buy foods in bulk and a lot of that food is not so healthy. And so working with local producers is a way to bypass those giant distributors and make sure that we have healthier food coming into our schools. I also think that policies like this are the kinds of things

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that grow into things like school gardens, community gardens, other associated agricultural projects in the urban parts of our state. And it would be a really great thing to teach the kids in urban parts of our state about our agricultural economy here in Nebraska and improve education on ag and farming. I'm also-- I also really like this bill, and it's a close issue to me personally, because my daughter, who's almost 11, her obsession right now is she wants to become a cook when she grows up, she wants to be a chef. And she went to this wonderful summer camp at Metro Community College where she did their cooking camp in their like real industrial kitchen and it's like a real restaurant. And then they do this restaurant camp where they actually cook the food and then they run the restaurant serving the food and seating the diners and all of that too. So my daughter's dream now is to own a restaurant and this is like her obsession. But what she really wants to do is run a farm and then serve food in her restaurant from her farm. And so we've started a little garden at home. I am the farthest thing from a farmer, as everybody in this body can probably agree on, but the things that she's learned in her school in Omaha about farming, about agriculture are things that she's already talking to me about and she's already teaching me. And this is part of her passion for cooking and her passion for food and something that I would love to see her continue to learn about and grow into as she continues to get older. So there are kids in rural Nebraska who grow up around this, they grow up on the farm, they grow up learning these things. It would be great for all the other children in Nebraska to get a similar education and just know more about the great farmers and ranchers that we have in this state and the contributions they make to our economy. So for that reason, I am happy to cosponsor LB396. I'm excited about this policy and I think it's really about time. If you look at Senator Brandt's handout on this last page, where you see the map of state Farm-to-School networks--

FOLEY: One minute.

HUNT: --the states without a Farm-to-School network is literally the breadbasket of our country. It's these regions in our country that spend so much money and so much labor and so much energy feeding the world, but we aren't turning back to our own communities, to our own schools, to our own children and people in poverty and making sure that they benefit from that as well. This bill is a step toward fixing that. I'm very excited about it and I encourage your green vote. Thank you, Mr. President.

FOLEY: Thanks, Senator Hunt. Senator Dorn.

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DORN: Thank you, Lieutenant Governor. I, too, stand in strong support of LB396. I thank Senator Brandt for bringing this bill and allowing a connection that can now be made between locally grown produce, some of our things that we raise here in Nebraska and some of our food and helping coordinate this so that our schools now can take advantage and be a part of this program also and use this for some of the needs that they have. So I think this is a tremendous bill and I really thank Senator Brandt for working with the Department of Agriculture and coming up with a solution that we can have something like this. I yield the rest of my time.

FOLEY: Thanks, Senator Dorn. Senator McCollister.

McCOLLISTER: Thank you, Mr. President. Good afternoon, colleagues. I rise in strong support of LB396. My son, Dan, helped develop a garden map to improve the growth of vegetables in various states and this bill would be something that he would certainly favor and I think it's good for the state of Nebraska. And anything we can do to promote homegrown vegetables is something that we ought to adopt. Vote green on LB396. Thank you, Mr. President.

FOLEY: Thanks, Senator McCollister. Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you, Mr. Lieutenant Governor. I rise in support of LB396. I just wanted to take a moment, an opportunity here to talk about LB108, Senator McCollister's bill for SNAP benefits. I think that food is a human right, and I think that access to real whole foods should be something that we all strive towards every single day. Expanding Senator McCollister's bill for SNAP eligibility from gross income from 135 percent to 185 percent would significantly impact the health and nutrition of citizens in our state while also supporting our farmers and grocers. I hope that those that stand in support of LB396 will also stand in support of LB108. I know that there were some that supported lowering the eligibility to 165 percent and that's where it stands on Select File. And I hope that, that we can see the same votes on this bill, LB396, that we see on LB108 on Select and General file or Final Reading. And because if we really care about supporting our farmers and nutrition, we should be supporting SNAP, not just the Farm-to-School, though I do think this Farm-to-School bill is very important and fills a really important need. Thank you. I yield the remainder of my time.

FOLEY: Thanks, Senator Cavanaugh. Is there any further discussion on the bill? I see none. Senator Brandt, you're recognized to close on the advance of the bill. He waives closing. Question before the body

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is the advance of LB396 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

ASSISTANT CLERK: 43 ayes, 0 nays on the advancement of the bill.

FOLEY: LB396 advances. Proceeding to the A bill, LB396A.

ASSISTANT CLERK: LB396A was introduced by Senator Brandt. It's a bill for an act relating to appropriations to appropriate funds to carry out the original LB396.

FOLEY: Senator Brandt, you're recognized to open on the A bill.

BRANDT: Thank you, Mr. Lieutenant Governor. This is an A bill for my Farm-to-School bill which would expand the scale and reach of Nebraska-produced food by providing networking resources for Nebraska schools, local growers, meat and dairy producers. The A bill would provide funding to create one FTE at the Nebraska Department of Education to administer the program. With that, I'd appreciate your green vote on LB396A.

FOLEY: Thanks, Senator Brandt. Discussion on the A bill. Senator Bostelman.

BOSTELMAN: Thank you, Mr. President. I wasn't going to speak on this, but I talked to Senator Brandt a minute ago. I think this is a great opportunity for, especially rural Nebraska. Think about the 4-H kids. Think about our FFA kids, students. Now, we're raising livestock, we're raising crops all across the state. This is something I've been thinking about for some time. Why are we not feeding ourselves? Why aren't our school kids raising the food that they-- they're going to consume in their schools? It should be done. We're showing livestock at county fairs, state fairs, there's revenue being generated there. That revenue could be put back into our local schools to buy calves, to raise calves for later production, whether it be piglets, whether it be chickens, whether it be turkeys, whatever it might be, raising vegetables, carrots, beans, peas, whatever it is, having greenhouses, having opportunities for these kids to continue understand where their food comes from, how it's raised and what that means. This is a great opportunity for the state of Nebraska, for our schools and for-- for children across the state to get involved with-- with the food that they produce and what they have for their lunches. I want to thank Senator Brandt for bringing the bill. I think it's a very important bill and I will obviously vote green on LB396A. Thank you.

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FOLEY: Thanks, Senator Bostelman. Any further discussion on LB396A? I see none. Senator Brandt, you're recognized to close on the advance of the bill. He waives closing. The question before the body is the advance of LB396A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 43 ayes, 0 nays on the motion to advance the A bill.

FOLEY: LB396A advances. Per the agenda, we now move to General File 2021 Senator priority bills, LB64. Mr. Clerk.

ASSISTANT CLERK: LB64, introduced by Senator Lindstrom. It's a bill for an act relating to income taxes to change provision relating to the taxation of Social Security benefits and repeal the original sections. This bill was introduced on January 7, referred to the Revenue Committee. That committee placed the bill on General File with committee amendments.

FOLEY: Thank you, Mr. Clerk. Senator Lindstrom, you're recognized to open on LB64.

LINDSTROM: Thank you, Mr. President, and good afternoon, colleagues. I am grateful to present to you LB64, a bill to phase out our state tax-- our income tax on Social Security income. Thank you to Senator Mark Kolterman for your priority designation and your continued work on behalf of Nebraska's retirees. 320,000 individuals in Nebraska rely on some form of Social Security income. This includes retirees as well as disabled Nebraskans and who are some of the most vulnerable Nebraskans in our state. The issue of Social Security and its taxation is a large one. According to the Center of Budget and Policy Priorities, as of June 2020, over 64 million Americans were receiving retirement, disability or survivor benefits from the Social Security system. There are only 13 states in the Union that tax Social Security income at the state level. And while we have updated the tax brackets and now exempt from Social Security taxes those with an AGI, or adjusted gross income, of up to \$43,000 for a single filer and \$58,000 for a married joint filer, we still have the distinction of being one of only four states that offer no greater tax break for Social Security income than the federal government taxing at 85 percent. This hurts our vulnerable seniors, especially those on a fixed income. And it seems logical to move away from the taxation of Social Security entirely. This impacts people on both sides of the wealth-- wealth spectrum. People with the most disposable income choose to retire and spend their money in another state, partly because of the high taxation on our seniors. Also, people on a fixed income have less money to spend on basic necessities because the impact of the tax. If

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we eliminate the tax on Social Security, we will have more people who decide to stay in Nebraska to retire, as well as putting more money in the pockets of struggling retirees, keeping seniors in their homes and often near their families and grandchildren. The green copy of LB64 would phase out Social Security income tax over a period of five years. However, the Revenue Committee determined that-- that due to the cost of this phaseout, that a more prudent approach would be to extend the phaseout over a longer period of time. Senator Linehan will discuss the amendment as it comes about. I would appreciate your vote on LB64 and the underlying amendments. Thank you, Mr. President.

FOLEY: Thanks, Senator Lindstrom. Senator Linehan, you 're recognized to open on the committee amendment.

LINEHAN: Thank you, Mr. President, and colleagues. AM473 simply slow down-- slows down the implementation of LB64. Rather than exempting all Social Security income from a tax over a five-year period, if we extend the phase out of the tax over 10 years, this will help reduce the initial costs of the bill. Colleagues, I want to point out that Senator Brewer also introduced a bill to phase out the tax on Social Security income. His approach under LB237 would have limited the exemption for Social Security income to married taxpayers under \$95,000 AGI and a single taxpayers under \$80,000 AGI. In fact, this is almost exactly the same bill Senator Lindstrom has introduced in the past. However, the majority of the committee agreed that we need to exempt all Social Security income. We are not competitive with our neighboring states, particularly Iowa, that already exempt this income. We are consistently ranked at the very bottom of states when it comes to the best places to retire, because with limited exceptions-- limited exceptions, we tax Social Security income. And not only-- I mean, Colorado, they tax no income-- retirement income up to \$30,000 for singles, 60 for couple. In Arizona, they tax no retirement income. So we are not just a little behind here, we are way behind. Colleagues, we need to do better. We need to be more competitive if we want retirees to stay in Nebraska and to continue to contribute to our state financially through other taxes, especially property taxes and through social, family and cultural contributions. We need to phase this tax out. I know that Senator Lindstrom has an amendment to the committee amendment. This is a friendly amendment and I would strongly encourage you to approve both these amendments and advance LB64. Thank you.

FOLEY: Thanks, Senator Linehan. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Lindstrom would offer AM805 to the committee amendments.

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FOLEY: Senator Lindstrom, AM805, please.

LINDSTROM: Thank you, Mr. President. In current law, seniors receive 100 percent Social Security exemption if their AGI is \$58,000 for married, filing jointly, and \$43,000 for all other taxpayers higher due to being indexed with inflation and we did that bill a couple of years ago. Under the amendment to LB64, the exemption was reduced to 5 percent and then gradually increased back to 100 percent by 2030. This was a little bit of an oversight. We want to make sure that the individuals that are not paying tax on Social Security income, which is the single filer 43,000 and a joint filer 58,000, remain intact. So they are still receiving the same benefits that they did before and this simply cleans that up. Appreciate your green vote on all the underlying amendments and LB64. Thank you, Mr. President.

FOLEY: Thanks, Senator Lindstrom. Debate is now open on the bill and the pending amendments. Senator Kolterman.

KOLTERMAN: Good afternoon, colleagues. Thank you, Mr. President. I'm proud to have prioritized LB64, a bill to change provisions relating to taxation of Social Security benefits which was introduced by my colleague, Brett Lindstrom. LB64 helps more than retirees, as Social Security also provides monthly benefits for disabled workers, their spouses and dependents, and also provides monthly benefits to qualified survivors of deceased workers. I've worked with many of those over the years. For these citizens on fixed income, annual increases in Medicare and Medicaid supplement insurance, that often wipes out any Social Security increase benefits that arrive and reduces their household income. LB64 allows for greater financial security for our citizens who are receiving Social Security benefits and allows for these individuals to care for their families and most importantly, to live-- continue to live in their own homes, which I believe is a shared goal of all of us as we age. Currently, the average monthly salary, Social Security benefit in Nebraska is \$1,232. When we talk about this type of income, this isn't a tax break for the rich. This allows our citizens receiving Social Security benefits to live with greater dignity and better independence. I'm proud to be a co-sponsor on this bill, it makes our state friendlier to our retirees and all the people out there that are living on fixed incomes. It's for those very reasons that I chose to prioritize this, make it a personal priority of mine this year. I think Senator Lindstrom has brought this bill on many occasions throughout our careers. And it's-- it's past time that we advance this on the floor of the Legislature and make our state one of-- take us out of the lower 13 and now just have 12 remaining that don't tax Social Security. So with that, I

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would hope we could support AM805, AM473 and LB64. And let's-- let's show the people that are living on Social Security benefits that we really do care about them. Thank you very much.

FOLEY: Thanks, Senator Kolterman. Senator Friesen.

FRIESEN: Thank you, Mr. President. So I'm going to talk a little bit about the numerous bills that the Revenue Committee sent out and looking at our fiscal picture at the current time and what things we might be able to do in the future and what we might not be able to do. So when you look at the fiscal note of this bill, it's substantial. And I think, you know, when I looked at it, at least, you know, and I'm going to be retiring in another year here, I'll be drawing Social Security and I'll be taxed on my Social Security, I hope I have enough other income and I'm OK with that. I think in order to-- you know, when we look at all of the bills that are coming to the floor this year with a fiscal impact, we're going to have to start making some choices. And some of them are going to be hard choices. But we're going to have to look at what our priorities are and how we fund those priorities. And so when I look at what we're doing for property tax relief yet, we're-- we've done a lot and I won't argue with Senator Stinner. We have accomplished quite a bit, but we still not have funded those nonequalized schools that are out there that I'd like to see some revenue go to them. And so when I look at the numerous bills that are on the table that are either waiting on Final Reading or in the process of getting there, we're going to have to start deciding how much money can we give away and what will that revenue stream look like three or four years from now? And that's what concerns me. I'll be leaving here in a year, but I don't want to leave our fiscal policy here that someone else has to deal with if we make some bad choices. So I'm looking at things. I'm listening. I think there's options out there that might work better as to targeted relief for those who need it the most. And it can cut the fiscal note by a substantial amount and we'll have a chance to talk about that yet coming up. I know there's an amendment that I see dropped there. And so I just want everybody to look at the-- our fiscal picture and the current time frame that we're at and what we're going to look like three or four years from now when some of these bills continue to eat into our revenue stream. So I want everybody to be a little bit cautious and I want you to ask questions and let's look at-- see once what our priorities are. What-- what have your constituents asked for and how can we best target the limited dollars we have? And I will say that because this is really the first time since my freshman year that we've had revenue to deal with. And so it's kind of unusual for this body to be able to deal with it and I'm watching what's going on this

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year, and I tell you, it is different. Everything has changed. We are operating totally differently than we have in the last four years when we didn't have revenue to fight over. And so I just want everybody to be keeping in mind our revenue picture, how that looks going forward, and what is our priority and what do we want funded and what do we want to pass by the wayside. And so I think there's options out here. I hope people keep their ears open and listen and are open to some ideas going forward that we can maybe do some other things and yet do something like this in a limited form that will benefit those who need it the most. Thank you, Mr. President.

FOLEY: Thanks, Senator Friesen. Senator Clements.

CLEMENTS: Thank you, Mr. President. I stand in favor of AM805, AM473 and LB64. I noticed, especially in AM805, it protects those people who are currently getting an exemption, who may have started having tax if we only had AM473. And so they're able to get whichever is greater as far as the exemption from Social Security benefits being taxed. My father had a retirement home in Arizona for a number of years, and when he would come back for the summer, I would do his income tax return and he'd say, I should change my residence to Arizona because of the income tax he had to pay here. And then, of course, the property tax was greater than when he-- quite a bit greater than what he had on his house in Arizona. But he wanted to still vote in Nebraska. And so keeping his voting rights was about all that kept him here for residency. But I also do a tax return for another person who used to live in Nebraska and now lives in Arizona more than six months of the time, I should say, barely. And on that tax return, there's gross income of \$138,000 and the Arizona tax they pay is \$1,433. I-- this morning, I decided to calculate what that would be in Nebraska. If they lived in Nebraska more than six months instead of Arizona, it would be \$6,758. So they're saving \$5,325 by keeping a residence in Arizona. The first time I did that Arizona return and I looked at the dollar amount of income tax, I thought I must have made a mistake until I came to the Social Security exemption and saw that all their Social Security income was subtracted. And so in Arizona, they're paying tax on \$55,000. In Nebraska, they would pay tax on \$121,000. Anyway, it's a \$5,000 discount to be in Arizona with the same amount of income. And for that reason, I-- I think that all levels of income should be given this credit or we're going to continue to lose people to other states who do exempt Social Security. And so it's-- I appreciate this bill coming to the floor because I've seen it myself the last few years doing other state returns compared to Nebraska. And it's going to help us be competitive with other states like we have

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done with some other tax credits like military retirement. Thank you, Mr. President.

FOLEY: Thanks, Senator Clements. Senator McCollister.

McCOLLISTER: Thank you, President. Good afternoon again, colleagues. I understand the motivation for this bill and I support that to a great extent. You know, I am now receiving Social Security benefits myself, so I understand that there's a tax consequence to those benefits and we're paying full boat. I understand that. And using a comparison of another state is a valid way to compare. You can see if Nebraska is an outlier and I think to some extent we are. But of course, the big thing is, we got to budget these-- these increases or these decreases to our revenue. The Governor signed the budget bill. Good for him. But we are-- and we'll give our citizens at \$1.4 or 5 billion worth of property tax relief. I just want to be sure that this Social Security revenue reduction fits in the overall budget. And I agree with Senator Friesen, we need to take this and be judicious in the way we decrease the revenues to our state budget. And I'm sure Senator Lindstrom, Senator Friesen and others, including Senator-- the other senators on the Revenue Committee, will do this in a careful and judicious way. Thank you, Mr. President.

FOLEY: Thanks, Senator McCollister. Senator Lindstrom, you're recognized to close on AM805.

LINDSTROM: Thank you, Mr. President. Again, simply, this bill cleans up the intent of maintaining what we've already been doing for the citizens of the state of Nebraska, a single filer, AGI of \$43,000, joint filer, \$58,000. Anything below that they're currently not being taxed. This just makes sure that we maintain that. Thank you, Mr. President.

FOLEY: Thanks, Senator Lindstrom. You've heard the debate on AM805. The question before the body is the adoption of AM805. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

ASSISTANT CLERK: 43 ayes, 0 nays on the adoption of the amendment.

FOLEY: AM805 has been adopted. Mr. Clerk.

ASSISTANT CLERK: Mr. President, Senator Flood would move to amend with AM748.

FOLEY: Senator Flood, you're recognized to open on AM748.

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FLOOD: Thank you, Mr. President. Good afternoon, members. This is essentially-- this AM748 is presented to you as what you will also find in LB237 from Senator Brewer. I'm bringing this forward because there's been an ongoing conversation as we work our way through this session about how much we can afford to do and how much we should do. And as you know, as a member of the Revenue Committee, I did vote to advance LB64, as amended by AM473, which is a complete phaseout of all Social Security income taxation in Nebraska. It is Senator Lindstrom's effort that has been supported, I think, by almost every member of the Revenue Committee, saving except one. And it is-- it has a fiscal note, as Senator Lindstrom has talked about, in the next year, \$31 million and then \$51 million. And that number grows by 2026, 2027 to \$139 million. What AM748 does is it presents another option to the Legislature with Senator Brewer's LB237, which is a phased-in approach to Social Security income exemption for couples filing jointly, making less than \$75,000 a year, or \$60,000 for those filing single, 100 percent of the Social Security benefit is exempt. As you move up in income, less and less of Social Security payments are untaxed. If you make above \$95,000 in annual income, a citizen will still pay income taxes on 100 percent of their Social Security benefit. This bill is also stepped in gradually over five years, 20 percent at a time, so as not to present as big of a financial burden for the Legislature. I would encourage you if you are-- if you are interested in seeing the difference between these two approaches, obviously look at the fiscal note on LB64, which shows you that it goes from 31-- \$32 million in FY '21, '22 to \$139 million in '26, '27. And then look at the fiscal note on LB237, which is on your gadget, just go to LB237 and you'll see the impact in year one is \$75,000, but it grows to \$36 million in '27, '28. And the idea is that it's a phased-in approach benefiting those who can least afford the taxes and then raises it about 20 percent at a time. One of the things that the AM748 does is it gives us a choice between two different approaches. Senator Lindstrom and I have talked about this. We've talked about it in the committee. We've been weighing both sides in the committee. We obviously moved LB64 out. And I think there's going to be a lot of different things that are going to happen in the next couple of days. You obviously have a revenue forecast on Thursday. We do. It's going to be pretty insightful as to the future of our legislative session as it relates to spending. And I guess more than anything, given the fact that there is a number of sen-- there are a number of senators in here that are concerned about the fiscal note. The idea with this is to present the other options so the Legislature can see both of them and that we as a deliberative body can decide how we move forward either today or between now and Select File. And I am doing this with Senator Lindstrom being fully advised of what's going on. I would say that he wants LB64 and not

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AM748. And I would out of deference to him, who has a lot more background on this information, give him the balance of my time to describe maybe the differences and the policy decisions that we're making here.

FOLEY: Thanks, Senator Flood. Six minutes, Senator Lindstrom.

LINDSTROM: Thank you, and thank you, Senator Flood. AM748, this is a bill and we heard it in Revenue Committee. Senator Brewer introduced it. We discussed both of these bills. And of course, the fiscal impact differs on both. The conversation that I've had over the last day about looking forward to what we may or may not do. Senator Flood alluded to this, but with the Forecasting Board meeting and having a revised forecast on Thursday, we also have several tax bills that are-- that will be coming up today and-- and over the next several days. This amendment allows us to, one, discuss what we want to do as a body. It's a starting point. It also-- if we can amend this particular provision, we could do something with LB64, but if we move this from General to Select, give ourselves some time to see what the Forecasting Board puts out and also what bills survive or don't survive, it'll give us a better picture of what we can do on LB64. So the difference in this is just as it stands right now, LB-- or excuse me, AM748 puts a cap on the-- the brackets as they stand. If you go back and look at LB237 and go to the fiscal note, you can see those changes over the-- over the time period of 2022 to 2026. It gradually increases what the percentage of-- of exemption a person can receive as their income grows. So it does-- it does go down over the course of time where it targets a little bit more of what I'll call the middle class, those individuals that are relying heavily upon their Social Security, but may have CDs, some other investments that are spinning off dividends and interest to pay and then that makes the AGI or adjusted gross income climb into a bracket that we tax as a state, again, one of only 13 states that tax Social Security income. But I understand the situation we have. We have only a finite amount of resources. So the idea is to have continued conversation from here to Select and find an appetite to what the body is looking at as far as the appetite to do-- do something here. And I'd be happy to get into the details of the amendment or the underlying bill, if you would like. Senator McCollister brought up being prudent, I think, with the amendment that we did AM7-- excuse me, AM473, the initial bill was a phaseout over five years at a 20 percent clip. This one, we spread it out over ten years. That would give the one the ability to have the state budget continue to grow and not have just a huge lump sum at the beginning. Over time, we do it by about 10 percent each year until we completely phase it out in over the next ten years. Interestingly

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enough there's-- again we talk about competitiveness with the states around us. There are a couple of states that do tax it, although their-- their thresholds are a little bit higher. Iowa, I believe, phased theirs out in 2013. Social Security in 2013. We have South Dakota and Wyoming who don't have an income tax and then what Senator Clements was discussing, people that are-- have the ability, have discretionary income are above that \$95,000 threshold, those individuals have the means to live elsewhere, six months and one day-- one day out of the year, not pay income tax. When those people move, we lose that money going into our-- in our system, into our municipalities, our businesses. People spend money because they have discretionary on grandkids, their kids, they're still paying property tax. They have a lot of different things that they bring to Nebraska and the communities, the volunteer-- volunteerism that they provide. There's just a lot of-- a whole host of things that our senior citizens provide the state of Nebraska. And if we're not competitive, if we're forcing them out due to the taxation, that does not bode well for the-- for Nebraska long-term. And so that was what this bill is. I've brought a version of this every year for the last seven years. I will say, because of the circumstances we find ourselves in, because we have been prudent, we have-- I'll give a lot of credit to Senator Stinner and the Appropriations Committee, we-- I wouldn't be standing here if we weren't prudent as a state and as a body on the things that we've done over the years that allowed me to even present this bill to you on the floor. So I do want to commend them for that and understand the circumstances and the number that we're dealing with here. But I do think it is that important that Nebraska needs to take a step towards being more competitive. And with that, I'll yield my time back to the Speaker. Thank you.

HILGERS: Thanks, Senator Lindstrom and Senator Flood. Debate is now open on AM748. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President, and thank you, Senator Lindstrom, for a good description of the difference between the two bills. And that is one of the things I want to talk about again a little bit is the fiscal note and the difference between the two and how it is targeted to more in the direction of the people who really need it. And I understand that some people might want to move out of the state, but we're not talking about that much money in the bigger picture. These are the people that do have the resources to make those things happen if they want. And again, people are going to move for any number of reasons. I, for one, am not leaving the state. Even if you keep taxing it, I will stay here. I still think we have a good thing going here and I don't want to be saying that I'm going to pull up

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stakes and move out because you're taxing my Social Security. I'm going to be one of the lucky ones that probably has enough income that I can have a comfortable retirement. But I think, again, it goes back to prioritizing and how do we attract people back to the state? And we need people who are willing to work here. We need worker participation. We need to attract people who want to take the jobs that are available. Our unemployment is low. And if we're going to attract people back here, we need to lower property taxes and those taxes affect everyone. Those property taxes are affecting businesses that are here, they're affecting people who move here for the jobs, they're affecting people who want to own their own home. And to me, that is still my number one priority. Although I'm willing to look at a compromise here, I still think we have to look at priorities and decide which is it that's more important to us. Do we need young workers that can afford to live here without a subsidy, without help with low-income housing? We need people to come here and fill those jobs that everybody is advertising for and can't get them to come here. So if we-- we focus our interest, I guess, on lowering property taxes and-- and creating more housing, we're going to attract those people that come here and they'll bring their families here. And hopefully grandpa and grandma stick around to see the grandkids grow up and they're not going to leave their grandkids because taxes are too high. So I'm-- I get the argument and I see both sides of it. And I appreciate Senator Lindstrom's willingness to bring this year after year. He's been persistent. And again, we finally have some revenue to work with. But I think this is the time that we measure everything and we try and figure out what our priorities, which ones can be funded, which ones can't, and we move forward from there. But to say that, you know, we have always been talking on the floor about how do we attract people to move to the state and the number one impediment that I see right now is the property taxes on homes and the cost of the homes are skyrocketing. They're going up 10 to 15 percent a year and people paying those property taxes and the school districts that are at the \$1.05 limit, they're like making another house payment. And so I still think we need to focus our resources where they're needed the most and that's right now in trying to reduce property taxes for everyone. Thank you, Mr. President.

HILGERS: Thanks, Senator Friesen. Senator DeBoer, you're recognized.

DeBOER: Thank you, Mr. President. Colleagues, when I was knocking on doors, this is one of the taxes that I heard about a lot. And so I am committed to working with everyone here and figuring out how to do something this year. I'm thankful for Senator Lindstrom's leadership here. AM805 was absolutely crucial to me because without it, it would

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have actually raised taxes on low-income seniors. So I'm very grateful that we passed that. Thank you to all of you who helped him amend that on to the bill. I do want to think about how we're phasing in our Social Security exemption. It seemed to me upon first blush that we should phase it in first to the lowest income folks and then the next lowest and the next lowest. That was at least my initial reaction. Over 10 years, whether or not we get rid of all of that or not, I suppose we have to look at what we have in terms of money. And I think that's especially important this time that we know what the Forecasting Board is going to say in terms of what we have money, but I would like to make sure that we are making the first deepest cuts to those who have the lowest income. Looking at the amendment, Senator Lindstrom, would you yield to a question?

HILGERS: Senator Lindstrom, would you yield?

LINDSTROM: Yes, I will.

DeBOER: So this is a bill that you have brought in the past, is that correct?

LINDSTROM: Correct.

DeBOER: OK, so you know about some of the technicalities of it.

LINDSTROM: Yes.

DeBOER: OK, great. I appreciate having the options for discussion and I appreciate you answering some of my questions. I've kind of-- I think I heard two different numbers. What's the highest number would be that you would have your Social Security tax exempted under this amendment?

LINDSTROM: Under the amendment for a joint filer is \$95,000 and below.

DeBOER: OK. Would you be willing to talk about maybe raising that to \$125,000 or something like that?

LINDSTROM: Yeah, I would be willing to continue the discussion. Like I said, we're going to have some better numbers come Thursday or we're going to have the Forecasting Board meet and we'll understand where we can fit within those parameters. But I'm always open to having the discussion and if that is where the body wants to go, then that's the discussion I'm willing to have.

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DeBOER: And how would you do that? If we-- if we said moved it from 95 to 125, would you put in another block or would you space out the blocks? How do you think that would be best accomplished?

LINDSTROM: That's a good question. I like round numbers, it's a little easier to understand. So in this case, what we could do is just widen out the-- the tax brackets or the-- the rates, the marginal rates in there. So, for example, under the amendment here, the-- at the starting point right now, it's \$58,000. This would go up to \$75,000 and below would be exempt. And then we could just broaden out the-- widen out the bands a little bit. So it goes from 75 to 80, 80 to 85, so essentially you could take it from, you know, 80 to 90, do it in \$10 million increments versus five. That would allow us to keep round numbers and then still increase it to call it, \$125 million or-- excuse me, \$125,000 or something in that range.

DeBOER: OK. And now I'm not on the Revenue Committee, so maybe you can help explain this to me. Is this a marginal tax rate as we're taking it off? Like, I'm trying to understand.

LINDSTROM: It's a marginal tax rate, yeah. So anything-- so again, it's your adjusted gross income. Anybody that's relying upon Social Security income as their main source of income will not be taxed. And that's what that amendment that we just passed did was make sure we continue on the path that we're on. A few years ago, I did a bill that passed to index the tax brackets. So-- and how we do it in our tax code, we index just about everything. We weren't doing it for Social Security. And the reason for that, that we did this was because of--

HILGERS: One minute.

LINDSTROM: --what interest rates are. I don't mean to take up your time.

DeBOER: That's fine.

LINDSTROM: But it was a lot of-- a lot of people to keep up with inflation because of where interest rates were or still are. The purchasing power wasn't going very far for individuals. So there's ways we can tweak the marginal tax rates so we accomplish targeting if you-- so if the body so chooses targeting the middle class more so.

DeBOER: OK. And so the way this would work is if I make over 95 and I'm filing jointly, then all that money over 95, I don't get any of my Social-- or I don't get any exemption return, but underneath that amount?

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LINDSTROM: It would be-- it would be progressive up to whatever bracket you're in. So, you know, you're going to get up-- you're going to get some benefit. But once you're at \$95,000, anything above that, you're not going to get any benefit anymore, as the amendment reads.

DeBOER: OK.

LINDSTROM: Yeah. And you'll be taxed at 6.84 percent.

DeBOER: Thank you very much. Well, I might get back on the mike later to ask some more questions, but thank you, Mr. President.

HILGERS: Thank you, Senator DeBoer and Senator Lindstrom. Senator Stinner, you're recognized.

STINNER: Thank you, Mr. President. Members of the Legislature, I have to, under full disclosure, say I am in my golden years. So I do have a conflict of interest as it relates to Social Security because I am a beneficiary of that program. That laid aside, I think this still makes some good policy. But I want to commend Senator Flood because I think it demonstrates a willingness to take a look at a priority and then start to shape that-- that priority with the fiscal note. Now, I think if you paid attention to the green sheets, starting today we're about \$143 million available. And as going through this, I-- and I've been sitting back really kind of waiting to see what passes on General File, what our priorities are as a body. Between General and Select and then to Final, we've got to show a lot of flexibility and a lot of ability to try to fit all of these fiscal notes together as best we can inside this package. And if we left a little bit for the floor, that would be OK with me, too, but let's be prudent about what we do. Let's reshape some of these fiscal notes. And obviously, as we start to work down through this list of priorities, let's eliminate the ones that maybe aren't priorities and-- and be very fiscally responsible at this particular point in time. But this is a good bill. It needs to be reshaped fiscal notewise. I think-- I think it has some promise. There are some other bills, I think also that's there. I'm not a big sales tax exemption person. I will say that. I know Senator Wayne has one on water taps and-- or water from the tap and it may have some merit as well. But let's be mindful of the fiscal notes, but certainly mindful of what we're trying to do as a body from certainly a policy standpoint. And with that, I'll yield the rest of my time to Senator Kolterman.

HILGERS: Senator Kolterman, 3:00.

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KOLTERMAN: Thank you, Senator Stinner. Good afternoon again, colleagues. I rise in support of AM748 and AM-- all the amendments up there. I think it's very good dialogue that we're having this afternoon. You know, in full disclosure, like Senator Stinner, I am also on Social Security now for five years. I appreciate the fact that I'm getting that, but at the same time, for the last five years, I've paid the tax on it. And it hasn't-- it hasn't-- I've been blessed and can afford to pay the tax. I think the most important aspect of this bill is, we need to take care of the people that need those tax breaks the most. That's the low-to-moderate income people. I do like the idea that Senator Flood has indicated he's going to pull this amendment, but at the same time it could come back on Select after we have an opportunity to see what's going to-- what-- what the Forecasting Board says and some other things, and after the discussion that we have today. I will remind you, though, that the people that are paying that-- that they're paying way above what the average person is paying, they get-- they get penalized up front and their limited on how much they can make from Social Security. So my-- my best result and my feeling would be just to pass LB64 with AM473. But at the same time, I think that you all know that Senator Lindstrom, Lindstrom and myself and a few of the others are willing to compromise and make this thing happen. We do need to take care of the middle to-- middle class and low-income people for sure. And then if there's extra money, as Senator Stinner has indicated, perhaps we do the full-- full gambit. So with that, I'd yield the rest of my time back to the Chair. Thank you very much.

HILGERS: Thank you, Senator Kolterman and Senator Stinner. Members in the queue include Senator Machaela Cavanaugh, Clements, and John Cavanaugh and others. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. I rise mostly in support of LB64. I want to state that at the beginning because some of what I'm going to talk about may indicate strong support and strong opposition. I am in moderate support of LB64. I very much appreciate Senator Lindstrom's bringing this bill. I think that it is important that we talk about Social Security benefits. I don't believe that we should be taxing them, which is why I am in support of LB64. But I also recognize the fiduciary responsibility that we as a body have to our taxpayers and to just eliminate a tax like this does have a significant impact, and so that does give me some trepidation. But I appreciate the thoughtful approach that Senators Flood, Lindstrom and Linehan and the Revenue Committee have all had in dealing with this bill. My concern or hesitancy that remains is the things that if we are to pass this, how does that look for the remainder of the things

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that we're trying to address in the body? And I was just looking through some of the fiscal notes and I heard some of the comments and I don't recall now who made them so far this afternoon, but there was a comment about the long-term fiscal impact. And I believe LB64 doesn't have a greater impact to our long-term revenue than the tax credits of LB1107 had. I actually think LB1107 has significantly greater fiscal impact to our revenue streams. And so if we are serious about taking care of individuals over corporations, I would encourage us to consider cutting back the eligibility for the LB1107 tax credits so that we can afford to enact LB64. I'm sure that will be a wildly popular idea with the body, especially the primary introducer of LB64, but I'll put it out there anyways, because I think that we should have some robust dialogues around these different issues. Additionally, I want to make sure that we have money for some of these other people-related business of the government. Again, I've talked about SNAP eligibility. If we were to expand SNAP to the initial 185 percent eligibility in Senator McCollister's bill, LB108, we would be giving access to SNAP benefits to 3,945 households. And that wouldn't cost us any general revenue dollars for the first two-- two years because it would be fully federally funded and then after that time period, we would have to use \$300,000, I believe was what the fiscal note estimated of general line for implementing this. But when you think about this, 3,945 households having access to SNAP means 3,945 households having buying power at your local grocery store. That is going to help your local grocers and farmers. Child care subsidy eligibility would create access to child care for 300-- 3,564 families. That's 3,564 families that could afford to work in this state if we expanded child care eligibility in Senator DeBoer's bill. If we were to do the family support waiver or the DD waitlist in my bill, we would be serving--

HILGERS: One minute.

M. CAVANAUGH: Thank you. --we would be serving 3,000 families. In my bill, everyone seemed aghast when I put an amendment on the budget for \$54 million, but I'm looking at nobody balks at \$125 million in corporate tax incentives. We have opportunities to make better decisions. I appreciate the work on this bill. I am going to vote for this bill today with the caveat of, I want to see the fiscal impact on Select File before I fully endorse this, but I do think it's a great piece of legislation. I'm very grateful to Senator Lindstrom for his hard work on this and to Chairwoman Linehan for her work on getting this out of the committee. I just really think we need to be talking about the broader picture of how we're using our finances. Thank you.

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HILGERS: Thank you, Senator Cavanaugh. Senator Clements, you're recognized.

CLEMENTS: Thank you, Mr. President. I stand in opposition to AM748. I prefer AM473 as-- especially because AM473 would eventually phase out 100 percent of the Social Security. AM748 does not for certain incomes. And remember that only 13 states do tax this income, 37 states do not. It's a competitive situation with other states. Regarding property tax, I'm very pleased that we did increase property tax credits this year and will have \$616 million in property tax relief this year, 2021. And so the amount of foregone income in this bill is much less than what we've already paid out-- are paying out in property tax. I'm concerned that there is no deduction at all in AM748 if your income is over \$95,000 jointly or \$80,000 single. It does phase in in five years, Senator Flood's amendment, the AM7-- AM473. Senator Lindstrom's, it takes 10 years to phase in, but I think it is reasonable that people can see that we're starting on a course to end up with 100 percent exemption, which will keep us competitive with our other states. The tax return I mentioned I do for somebody in Arizona, AM748, they're above the cutoff so they would not have any savings in Nebraska. They also-- they would still pay over \$5,000 more per year in Nebraska tax than staying in Arizona. If we could equalize that some, we might get those people who do come back to Nebraska regularly, to become Nebraska residents again and be more productive citizens. Pay some sales tax, more property tax, and especially quit the snowbird exodus that we've been having from Nebraska to our southern states, Texas, Florida, Arizona. And so I urge you to vote green on AM473, but red on AM748. Thank you, Mr. President.

HILGERS: Thanks, Senator Clements. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. Well, I rise in support of LB64, but I appreciate-- and I guess I don't know where I'm at on AM748 yet. So like Senator DeBoer, while I was campaigning, this was a big issue that people brought up to me on knocking on doors and talking to folks in my district about Social Security taxes. And I am a cosponsor of LB64, but I think this is a great discussion and kind of-- I'm glad Senator Flood brought this amendment to have a conversation about how to make reasonable changes to make LB64 more workable. I know I've seen the fiscal impact of LB64 and it is substantial and I think that it's important that we have these types of conversations. We talked a lot last week, had a conversation where there was some negotiating that was happening and-- and there was, for me, there was no room to negotiate on that particular bill and I stated my intention that when

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we can work to compromise and make bills better, I'm very willing to do that. And so that's why I'm rising in-- I guess I'm not yet in support of 7-- AM748, but saying I'm willing to talk about and hear and see where this will get us and how it'll change the bill and how it'll make the bill better or not and make it more able to implement and achieve the ultimate objective, which is, I think, to not have a tax on Social Security benefits. I think when we're talking about spending this amount of money, it is important to say where else or what else we could do with it. And so I think I appreciate hearing what everybody else has to say on the subject. So for the time being, I'm going to be listening, but I do want to say that this is, I think, a serious conversation, that people are engaging in good faith to try to make what is a good idea even better and more workable for the state of Nebraska. And so I would encourage people to continue that conversation and ultimately get to a place where we can pass some reasonable and good reforms to Social Security taxes and whatever form that takes. And so ultimately, I'd ask for a green vote on LB64, but I will be listening to see how the amendments will affect going forward and I'm interested in that. Thank you.

HILGERS: Thanks, Senator Cavanaugh. Senator Brewer, you're recognized.

BREWER: Thank you, Mr. President. I think anybody that puts work into bills deserves credit for them and everyone should understand that my LB237 is Senator Lindstrom's bill. Three years ago, he had a moment of brilliance, came up with the bill, it didn't go anywhere. So I, essentially, copied the bill and submitted it. So no matter what we vote on today, it's Senator Lindstrom's bill, just so the credit goes to the right person. Now, why did I go with the numbers I went with? It become obvious if you're a senior citizen and you didn't necessarily plan for some of the expenses or didn't have a plan for retirement, many are living off Social Security. The cost of living increases that they get are minuscule. They don't even keep up with the inflation. So there was no way to give a boost to them to help them other than something along these lines. So I guess I would disagree with the idea of moving this to \$125,000. Had I had my way, we probably would have only went to 75, not to 95, but I think 95 is a compromise. The-- the idea of AM748 and where we're at with the budget right now, I think it's the perfect compromise. So I hope that Senator Flood doesn't pull it. I hope we have a chance to actually take it and track it all the way through, because with the limitations that we may have, this is a way of giving relief, relief to those who need it and not to blow up a cost in the Social Security detaxing that we can't manage right now. This is a way of taking care of those that the bill was designed to take care of. Thank you, Mr. President.

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HILGERS: Thanks, Senator Brewer. Senator Dorn, you're recognized. I don't see Senator Dorn on the floor. Senator Dorn, you're recognized.

DORN: Thank you, Speaker Hilgers. Thank you for bringing this bill, Senator Lindstrom and Senator Brewer and the Revenue Committee for bringing this out so that we can have a discussion on this funding and what might be a part of the net result of this. I think Chairman-- or Committee Chairman Stinner had some very good comments there and some of the others, too, on the floor about being mindful of what all of our revenue is at, we are on the green sheet there at about \$143 million. And all of these bills, how they have an effect on that and where we will be going forward. Been visiting with Senator Flood a little bit and Senator Lindstrom-- Lindstrom and would Senator Lindstrom yield to a question.

HILGERS: Senator Lindstrom, will you yield?

LINDSTROM: Yes.

DORN: Yeah. You and I talked a little bit about the fiscal note on your current bill and then maybe what the bringing that from 5 years to 10 years, what a little bit of something like that might look like, and then some of that discussion.

LINDSTROM: Yeah, so in the committee, the original bill that-- that LB64 was and what AM473 corrects is the length of time we phase it out. So the original bill was 5 years, 20 percent until we reached 100 percent. This is now under AM473 would start at 5 percent, go to 20 percent and 30, 40, 50, all the way up to 100. Under the original bill, the fiscal note in the fiscal year '21-22 is \$31 million and change. And in the following 2022 to 2023 is \$51 million. So we would have to adopt AM473 to lengthen the time to 10 years before we'll know exactly what the fiscal-- fiscal note is over the course of those years. However, we will get to the same point, which, you know, the total is closer to \$140 million. It's just-- it's how you get there. So it's either quick or slow.

DORN: Thank you. And part of what I asked Senator Lindstrom was, we don't have a fiscal note on AM473. Well, we don't have one on there because that's the amendment. Until that amendment would pass, we would not have that fiscal note. Basically, it's taking that \$31 million and then the first year and 52-- \$51 million the second year of the \$82 million, and you're spreading it out over 10 years-- not 10 years, you're spreading it out a longer period of time. The five-year fiscal note that he had there, that would now be spread out over 10 years. That's a short synopsis of it. Not sure exactly the numbers or

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whatever, but that's kind of what that would do to that-- that fiscal note. So as I look at these, I see Senator Flood's amendment. If you look at his fiscal note, it's around \$2.1, \$2.2 million. And you look at the other, I call it the complete opposite side of that and you look at Senator Lindstrom's with the Revenue Committee proposal. You know, we're-- we're at the opposite end of the spectrums on this part of the bill. So part of what I think, if I understand them right, they're going to review this, look at this between now and Select and then maybe have some solid numbers we can come back and have that type of discussion on and maybe even come forward with a-- another proposal of how this exactly would be affecting us so that as we go forward and we look at the numbers, we can have a known number or a sure number of what we're going to be voting on at that time. So I think we need to be very prudent as we go forward on the floor. We have, you know, we came this year and said--

HILGERS: One minute.

DORN: --we have \$200-plus million. And I think most senators that I've talked to, this is something great. It's also something new because the last two years we've basically been told you have no revenue, you have nothing for the floor. So this is creating it a little bit different challenge, a little bit different perspective and how we view these things and how we look at these things as we discuss them on the floor but very thankful that we're having this discussion. Thank you.

HILGERS: Thanks, Senator Dorn and Senator Lindstrom. Senator Blood, you're recognized.

BLOOD: Thank you, Mr. Speaker. Fellow Senators, friends all, I actually stand against Senator Flood's amendment, but in support of both the revenue amendment and underlying bill. I want to say this as cautiously as possible. When we addressed the issue when it came to military retirement, we were all in and well we should have been. We were all in and we didn't discuss the officers and how much they were making in retirement, which some-- in some cases has-- and I see some people shaking their heads, we know it's substantial because we should not tax military retirement. But now I see as nickel and diming Social Security and that turns my stomach. We talked about this last week. There are a lot of people in many of our districts that are literally living off of Social Security. Now, I understand why maybe people that have more income, maybe you feel that they should be taxed and I don't know if I necessarily disagree with that, but I do take issue with the fact that we're even talking about it in general, because this is not income. This is something that they earned by working their entire

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lives here in Nebraska, usually, right? We don't blink twice giving away corporate welfare. And boy, have we given a lot of corporate welfare since I've been here. And I voted for it because I know it's important to have good jobs here in Nebraska and I know it's important to keep businesses here in Nebraska, but we are talking ultimately about people, not numbers, not money. Ultimately, I know, Senator Stinner, that that's what we're talking about when it comes to revenue, but people. And so I don't know if I am comfortable talking about this like it's a piggy bank issue. I think that we've really gotten away with why Social Security was supposed to be paid out in the very beginning, and it was never meant to be really something that was taxable. But yet here we are and here we've been taxing it. And quite frankly, my husband also gets Social Security because we're a bunch of old geezers and we pay taxes on it. And it just seems kind of ridiculous because we're not wealthy. We're maybe middle class. It is what it is. But yet here you work your entire life, I don't know about you guys, but if you grew up on a farm, you probably worked your farm and other people's farms. I know I did irrigation pipes and detasseling and heck, I've been working since I was 13 years old. And a lot of the people that are getting Social Security it's the same story because Nebraskans work hard. So, you know, I think it's kind of sad that Senator Flood is bringing this forward to start a conversation so we can take time on it on the mike when we could actually talk about it between General and Select. So with that, I just say that I-- I don't know if I support Senator Flood's amendment, but I know I do support the revenue amendment and I do support the underlying bill because as I already said this last week, the two issues that I heard at the doors had nothing to do with property tax. They had to do with why are you taxing my military retirement and why are you taxing my Social Security. Now when it comes to property taxes, Senator Friesen, I agree with you that we still need to do something. And I am putting together a bill that is discussing all of those unfunded mandates, those millions and millions of dollars in unfunded mandates. And I'm really hoping that we can get some bipartisan support on that, because then we can have some true property tax relief, not just smoke and mirrors. And then the other issue I want to point out is we talk about really the small amount of money that this is, is that we are leaking money all over Nebraska at the executive level.

HILGERS: One minute.

BLOOD: Some of you heard a little bit about it in the hearing, but unfortunately had to leave before we actually talked about the audits. We know that unemployment insurance fraud has resulted in tens of

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millions of dollars going to another country, Nigeria. We also know that there's also Russian criminals that are involved. But yet I don't see anybody up in arms about that. We pick, pick, pick, and nickel and dime, but we look the other way when it bleeds out of the executive branch, be it Saint Francis, be it unemployment. When are we going to put a stop to that? So I just kind of want you to be thinking about that, thinking about a property tax bill next year. When we take away all those unfunded mandates and really get some solid property tax relief and then think about the people that Social Security really touches down on. And where do you feel comfortable saying, I'm sorry, but you need to pay taxes on this. Thank you, Mr. Speaker.

HILGERS: Thanks, Senator Blood. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. Speaker, and thank you, colleagues, for a good and robust conversation on this issue. I just-- one of the reasons I worked with Senator Lindstrom on LB64, and he is-- he's a very important member of Revenue Committee and he has been extremely helpful in getting all kinds of things done. The way he stretched this out from his original, so if you look at the fiscal note, this will change. We get a new fiscal note between General and accept-- and Select. So this note will change. This will be stretched out. I felt we wrote it in such a way, and he agreed, that we'd get all kinds of off ramps here. So we start and then clearly, if we have a year like we did in 2017, this is like you could put a hold on it and then pick it back up. This is not-- it's written exactly to kind of address, I think, some of the concerns I'm hearing, what if, what if, what if. We're not saying, OK, tomorrow we're not going to tax Social Security. This is a 10-year plan here where there's plenty of off ramps. I understand and when we get to the next couple of bills, it'll become more obvious that we can't have more in tax cuts on the floor than we have revenue on the floor, so I filed some amendments to make adjustments for that. But I'm going to wrap up here by going back, and I know-- I don't-- if you're irritated with me, you get sick of hearing it, that I understand. But we have to be conscious and aware of these ratings that are in the press and accessible to anyone who Googles taxes and where do I want to live that we have-- we're facing an issue here. Last week we talked about being number sixth in the nation in taxes per capita. Now, that's-- that's all our taxes. But you-- we don't-- we don't want to be sixth in the nation, only behind New York, New Jersey, Connecticut, Illinois and I'm forgetting the other one. When we have people who-- our states who border us, who are in the top 10, so I am, I think you all know this, I'm supporting several tax cuts, but this one, like it is abundantly clear, because I'm in this age group looking toward retirement and I have way too

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many friends that aren't going to stay in Nebraska. And it's-- I just-- I'm willing to talk between now and Select, I get that. I think that's a good idea. I understand Chairman Stinner saying we've got to watch the revenue. I get that, too, but the way I think Senator Lindstrom has written this, is we're doing all that with the bill that he has brought, LB64. So with that, I will yield my time back to the Chair.

HILGERS: Thank you, Senator Linehan. Senator Moser, you're recognized.

MOSER: Thank you, Mr. Speaker. Well, in this discussion, it's-- it's dangerous to waive the caution flag when you're talking about cutting taxes on Social Security, but along with tax cuts, we have to have a discussion of what we spend our money on. We have more employees per capita than most states. We have higher taxes on everything than most states. And so along with tax cuts, we have to be looking at efficiencies in how we spend our money and what we spend it on. As how we approach this bill, I would be more inclined to support larger relief for lower income taxpayers rather than phasing in evenly across from zero to \$125,000 joint income. I'd rather have us give the lower income filers a higher or more relief on their tax on their Social Security income if we're going to phase it in. But again, we need to remember that I think we're spending ourselves in the corner here. We're spending more money, spending more money. It's only \$5,000. It's only \$750,000. You know, it's not-- not state money, it's federal money, so that's not real money. You know, we need to have a discussion on how we spend our money. Thank you.

HILGERS: Thanks, Senator Moser. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Good afternoon again, colleagues. I need to correct the record. LB108, the SNAP bill, the current amendment brings that rate down to 165 percent rather than the 185 percent presented originally in the bill. The fiscal note indicated that 185 percent would bring about 3,900 families to receive SNAP benefits. But presumably, if we drop that rate to 165 percent of the gross family poverty level, it probably only would bring 2,500 families into the fold. So just needed to correct that record. We won't know what the fiscal note is exactly until we pass it on Select File and to Final Reading. One other point related to the current bill in question, LB64. When we all run for elections, we pay attention to certain measures of how Nebraska rates compared to other states. We also get measured during our-- our term of office. Who rates us? The Chambers rate our performance, the Holland Children's Center, ALEC, NCSL gives us information how Nebraska compares. Kiplinger, as Senator

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Linehan has often indicated, CSG gives us ideas how Nebraska compares. WalletHub and many others. How does Nebraska rate? And I certainly know this to be true. I think we are second or third highest on cell phone rates. Auto license fees, we're about seventh highest. County inheritance tax, we're only one of seven states that levy that. Property tax, how do we rate? Seventh or ninth depending upon the measure. However, I contend again that we really don't take into account the \$1.4 or 5 billion that we give credit to people for their property tax relief, so that high seven or nine rating, I think is in question. Nebraska's current tax structure is about 54 years old. In 1967, we adopted a sales tax and an income tax, and it's taken us this many years to make Nebraska seventh highest in property taxes. So what we need to do now is slowly, but surely, move Nebraska into the mainstream on some of these measures. Need to deal with a property tax question and I think we've done that. But we also need to talk about sales tax and broadening that tax, because that's also a thing that many states have done. On this current bill, we will bring it in from General to Select and then budget out what we can afford. We can't go to \$250 or \$350 million that all of these tax bills would represent. So we're going to have to do some serious budgeting, some force rank selection on the bills to fund. So I support the general idea of the bill, but we're going to have to trim the fiscal impact. Thank you, Mr. President.

HILGERS: Thank you, Senator McCollister. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Speaker Hilgers. I rise, I think, in support right now of AM748 or the concept of that, not so much of LB64 just because of, I think, somewhat Senator McCollister just spoke of, people in-- not that we don't need reduce taxes overall, but we need to make sure we can do whether-- whether it's fiscally sound. If-- if AM748 was a bill that's been introduced over the years and we've never passed it because we couldn't afford it, why is it now this year, all of a sudden, something that we feel like we could take something that's significantly more, \$140 million and that-- that we can pass that and that's going to be OK in the out years? I think the concern I have right now is take a stepped measure. Let's start at a certain point and then let's move it ahead as we-- as we have confidence and that we're able to-- to sustain that type of tax relief in Social Security. Again, not that it's not needed, but we also need property tax relief. Quite frankly, the people that I know that I've talked to, and I know I'll get more emails on LB64 and that's fine, but we've got families leaving, selling everything and leaving. Why are they moving south? Because they can't afford the taxes on their house. They can't

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afford the taxes on the land they own. So I think that's something we need to consider. And we have a lot of bills in the next week and a half that's got some fiscal asking for it. That there's some needs out there that we need to consider and we're going to have to make a decision as to what is it that we are going to approve or fund and what we're not. And my real concern is-- is I'm not sure if LB748 is the right answer or LB64 is the right answer, maybe it's someplace in between. But I think LB64 right now is a little bit-- is too much. And I think we need to take a look at that and see what we can do between General and Select to try to figure out where exactly we need to be and how we're going to be able to fund that in the future because if we haven't been able to do it yet, just because we have dollars on the floor this year, three years, four years, five years from now, are we going to have those funds available then? So I think we just need to be careful with what we do and take a prudent look at it and a strong fiscal look at it. And I'll stand and I'll watch what we do on LB748 and on LB64, and underlying amendment. Right now, I'm not supportive of LB64. I would be supportive of AM748, but I'm hoping that we'll be able to find something somewhere between the two of them, between General and Select. Thank you, Mr. Speaker.

HILGERS: Thanks, Senator Bostelman. Senator Groene, you're recognized.

GROENE: Thank you, Mr. President. I'm in support of the concept of LB64. I trumpet, repeat Senator Moser, we spend-- I always have to remind myself and others that every single tax dollar that's collected is now spent. It is spent. And if we keep collecting more tax dollars, they will be spent. But if anybody deserves a tax cut, it's the working class people who retire in the state and they're trapped here because they're the lower income end of the middle class. They can't afford to move out. They're living in their house that they bought 30 years ago and paid off their mortgage and they can't afford to move. The upper income middle class move. Hear it all the time. They can afford to and the benefit from moving with the tax deductions is a pretty gift-- pretty-- a lot of money. It adds a lot to your retirement income. You can take a half million dollar house and take it from \$15,000 property taxes to about two or three in Florida, and probably about the same amount, property taxes in Missouri. And then you don't have any income-- very low income tax in Missouri, none in Florida basically, then in Wyoming. We've got South Dakota. I would like to see maybe a hybrid between AM748 and AM473. You know, we got a lot of complaints from the accounting services and when taxes showed up the way we had that property tax rebate, income tax rebate on-- based on the school levy, I think when they see this AM748, they're going to tell you the same thing, 20 percent here, 16 percent here, 14

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percent here, depending on what your income is. I'd like to see us just start at \$80,000, their income, move that floor \$58,000 up to 80 and just zip. Next year, you don't pay income taxes on your retirement. All right, now through Senator Lindstrom's efforts since I've been here, it's \$58,000. Let's just move it up to 80. Let's start there and then look at stepping in for the higher income individuals, because, quite frankly, those higher income individuals that retire, it isn't-- it isn't the taxes on their Social Security, it's the taxes on their 401K receipts and their retirement from their-- if they're government workers, college professors, schoolteachers. The Social Security is a minor part of their retirement so they're going to move-- a good chance they're going to move anyway. But those working class people who retire here, let's-- let's start with them. Let's go \$80,000 or less. Next year, it's gone. Yeah, you don't pay on your Social Security, didn't step in that higher income group. It's a trinket to them because if they're going to move, they're going to move because of what they pay on their 401K retirements and I know with the property taxes they're paying on their half million dollar houses. So, every dollar we collect, we spend. I've got A bill on a major where I'm trying to help rural Nebraska. Somehow we got to pay for that. There's a corporate income tax cut coming up here pretty quick. I don't know how we're going to afford that one. We just spend it. We're just crazy about government in this state and we keep creating more of it since I've been here. We need to scale back and look at the spending side of it. I was against LB336-- LB366 and LB682. I was on the Revenue Committee. Nobody ever proved to me those brought one--

HILGERS: One minute.

GROENE: --small company. Is that time or one minute? Was that one minute?

HILGERS: One minute, yes.

GROENE: My reasoning was that \$1.2 million on LB366 and \$15 million on LB682, that's right there. That right there would pay for the \$80,000 or less and probably part of the other-- other Social Security tax cuts. And nobody's proved to me that either one of them programs brought one job to Nebraska that I-- that wasn't already here. Nobody's proven-- proven it. It's just a little being nice to certain small companies who are probably doing pretty well, that they-- that they even consider that they need a \$20,000 tax cut. So anyway, when you take away and you keep taking away, something's got to give on the spending end. Thank you.

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HILGERS: Thank you, Senator Groene. Senator Ben Hansen, you're recognized.

B. HANSEN: Thank you, Mr. Speaker. I don't want to get up here and regurgitate everything everyone's been saying about the benefits of this bill. I am in favor of LB64 and AM473. I'm a cosponsor of this bill. Still deliberating about AM748, but I'm assuming there's going to be some more discussion on Select File about whether we're going to move forward with this bill. One thing I didn't know before today is that Social Security is actually not the term for this tax or insurance, it's actually a commonly used term for the federal-- for all the people who actually said they're eligible for right now. It's actually-- the commonly used term for the federal Old Age Survivors and Disability Insurance Fund. So that's something I learned today. It's not Social Security, after all. And so just based on principle, I don't think we should be taxing Social Security at all because it's actually, in my opinion, a double tax. This is by far the number one con-- not the number one, probably the top three concerns I heard when I was knocking on doors two years ago and even last year talking to residents is a reason why they're having a double tax. Social Security is already in and of itself, a tax. Granted you're working for it, but they're pretty much taking your money-- the federal government is taking your money at zero percent interest and putting it somewhere because they think they know better than you do about your retirement. And so here we come along as a state to decide to tax it again. Senator Blood alluded this. Other-- other Senators alluded this, is that we are talking about people and this is actually their income, and for the state to be taxing this when it's already getting-- when it's already a tax, in my opinion, is fundamentally wrong. And so I do appreciate Senator Lindstrom for bringing this bill. It's one of things I was actually thinking about bringing this year or next year. So I'm glad he's bringing it and I'm glad to see that there's some consensus going on about how we can best move forward in a responsible way. Something Senator Clements also said is that, you know, in relation to what Senator Friesen was saying, is that we need to make sure we also concentrate on property tax relief and I think we have been moving forward with that as well with the Property Tax Credit Relief Fund. And so I think we can look at other aspects about our tax structure in the state of Nebraska instead of concentrating entirely on one thing, which actually is very important as well, because, yes, we are losing people in the state of Nebraska to other states just because of our tax structure. Senator Linehan also mentioned that we are number six in the country when it comes to the amount of taxes that we have. And so people are fleeing our state. This is just one of the-- one of the main reasons why they are as well. And I know it's

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just in my district, I have a lot of retirees as well who are concerned about this. Maybe some senators don't have as many, but this is something I think we do need to take a strong look at. And I think it is fundamentally wrong that we do tax their income when they've already been taxed and forced into paying this. And so for that, I always stand up for bills such as LB64, and I encourage all my other colleagues to do the same. Thank you, Mr. Speaker.

HILGERS: Thanks, Senator Hansen. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker. Good afternoon. I wasn't gonna put my light on, but as Senator McCollister alluded to all the problems we have with taxation in Nebraska, and how poorly we rank, I didn't think there would be anything wrong with standing up and talking about the consumption tax. Senator McCollister, it fixes all of those issues that you just said and we have talked about we're working on the property tax and we-- some have alluded to that we've made progress. Well, let me share this with you. Had we adopted the 35 percent reduction in property tax last year when I had the petition drive, that wouldn't even moved us, that would not have moved us to 30th in the nation. All right. We're like 42 or 3. It wouldn't haven't even got us to 30th, so we haven't done squat for property tax relief. And so, don't think about patting yourself on the back for what we've done since I've come in '17. So to fix that, we have decided that the best solution is the consumption tax. And so I have left on your desk the consumption tax website, and Monday-- excuse me, Wednesday at noon or before you'll be able to view the Zoom meeting we had this morning with Art Laffer, with Ernie Goss and Beacon Hill Institute, William Burke. And they explained very well the problems that we have and the reason that Nebraska is losing people, the reason Nebraska's population hasn't grown, and the reason our economy hasn't kept up with those states who don't have income tax. I don't think I've ever heard it explained more thoroughly and precisely as they did this morning. So if you would, take an opportunity to view that. And Senator McCollister, if you do view that, you will understand that all of those issues that you just mentioned will be one solution away and that's a consumption tax. Just talking about this amendment, Senator Flood, if it's 884,000, there's 336,000 people collect Social Security, it's about \$2.63 per person, or about 23 cents a month. And there's a senator in this body that collects about 23 cents a month on his stipend, on his payment after he pays for insurance. So I'm sure that's a big deal, 23 cents. So I have to agree with Senator Ben Hansen, let's either go big or go home, and obviously we haven't done that even with LB64, but we will when the consumption tax comes. Thank you.

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HILGERS: Thanks, Senator Erdman. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President, and members. I do realize that a number of you have a conflict of interest on this bill. [LAUGHTER] Senator Linehan said, not yet. They move the average age up to 51, no. I appreciate the conversation on this. You know, we are making today a \$130 million decision, about \$139 million decision in FY '26, '27. And to Senator Erdman's point, you're right, it is a phase in. But in the-- in AM748 in '27, '26, it's a \$36 million impact. So it's not nominal. None of this is nominal. All of it is a substantive conversation about what the future tax environment of the state is going to be. And Senator Lindstrom, to his credit, he introduced a bill that looked a lot like AM748 a couple of years ago when the state wasn't in as good a shape, which I think is instructive because we know we're going to be in good times and bad times and we have to find that hybrid, that place where the Legislature thinks it's the most appropriate that the state can afford and that derives the most benefit to the people who can least afford it and the ones that we want to keep in this state, which is all of them. But there's a lot of them out there that that choose to move to different states, to Senator Linehan's point. So I guess at this time, Mr. President, I would ask to withdraw AM748 on the understanding that this will be a continuing conversation as we move from General to Select File. Thank you.

HILGERS: AM748 is withdrawn. Mr. Clerk.

ASSISTANT CLERK: Mr. President, I have nothing further on the bill.

HILGERS: Returning to debate on the committee amendments. Senator Brandt, you're--

BRANDT: Thank-- thank you, Senator Lindstrom, for bringing this bill. I think I'm probably going to be the last speaker on this, there's nobody else in the queue. I'd like to echo what Senator Groene stated. We need to increase the Social Security exemption for the working class. And I guess what he suggested, a hybrid blend of AM748 and AM473. I think that would be good legislation moving forward. When I talked to you earlier, I asked you what the-- what the average Social Security in Nebraska. And you said for a male, it was \$18,000 a year or about \$1,500 a month. If you're at the highest rate in Nebraska at 6.8 percent so you have income coming in from other retirement, other sources, the most you're going to pay on your Social Security is going to be \$1,224 a year. That's the worst case. And if I have a lot of income coming in from other sources, I think I can do that. Am I going to leave the state for \$1,244 of Social Security tax? I think not. I'm

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not going to leave my family, but I can believe citizens leave the state for the tens of thousands of dollars they pay in property tax. And a lot of Senators, that's where we're at. Nebraska does have a property tax problem. Would Senator Lindstrom yield for a question?

HILGERS: Senator Lindstrom, would you yield?

LINDSTROM: Yes.

BRANDT: And I spoke to you about this earlier. And I just-- on the mike, you will be modifying LB64 before Select, is that correct?

LINDSTROM: Based on the feedback and the discussion today, it looks like that there will be a modification, yes.

BRANDT: OK, thank you, Senator Lindstrom. And I guess going forward today, I would support AM473 and LB64-- AM473 and LB64 in anticipation of changes coming on Select. Thank you.

HILGERS: Thank you, Senator Lindstrom and Senator Brandt. Seeing no one else in the queue, Senator Linehan, you're welcome to closing on the committee amendments. Senator Linehan waives closing. The question before the body is the adoption of AM473. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 45 ayes, 0 nays on the adoption of committee amendments.

HILGERS: Committee amendments are adopted. Returning to debate on LB64. Seeing no one in the queue, Senator Lindstrom, you're welcome to close.

LINDSTROM: Thank you, Mr. President, and thank you, colleagues, for the discussion today on LB64. I have already received half a dozen ideas and feedback on how to make LB64 better. With the timeline that we have in front of us with the Forecasting Board meeting Thursday, with other tax bills that we'll be discussing today and the next several days, we will have the ability to have a better picture on what the financial situation is, which will be able to allow us to put in some parameters that I think will be beneficial and hopefully most of the members of this body will support. So, like I said, I'm willing to have-- to have that dialogue and to have those discussions between General and Select. If you have an idea on what you're thinking, please feel free to reach out to me, come talk to me and we'll try to work with everybody to achieve a solution that everybody is happy

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with. So with that, I would encourage your green vote of LB64. Thank you, Mr. President.

HILGERS: Thank you, Senator Lindstrom. The question for the body is the advancement of LB64 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 47 ayes, 0 nays on the motion to advance the bill.

HILGERS: LB64 is advanced. Mr. Clerk, next bill.

ASSISTANT CLERK: Mr. President, the next bill, LB26, offered by Senator Wayne. It's a bill for an act relating to revenue and taxation, to provide a sales and use tax exemption for residential water service, to harmonize provisions, providing an operative date, repeal the original sections. The bill was introduced on January 7, referred to the Revenue Committee, placed on General File with no committee amendments.

HILGERS: Senator Wayne, you're recognized to open on LB26.

WAYNE: Thank you, Mr. President. First, I want to thank Senator Pahls for prioritizing this bill. And I guess the simplest way to introduce this bill is to think of one sentence. Water is life. Throughout our taxing, in our tax code, when you start looking at exemptions and the things that we exempt, are we-- we say we value is inputs. There can be no greater input than water into our body besides food. And we exempt from taxation food because food is necessary to live and I would submit to you that water is essential for life. LB26 seeks to create a sales and use tax exemption for residential water services. Specifically, it exempts the gross receipt received from the sale, lease and rental of and storage use or consumption of residential water services. This is not a complicated bill. It's very simple. When you look at what we also tax exempt as it relates to water, we do not tax bottled water. We do not tax water for manufacturing. We do not tax water for irrigation. We do not tax water for anything related to agriculture. Again, it's because water in those industries are essential inputs. And when you look at food and the ag industry, that is an essential input for human life. It's really, again, that simple and I would ask for a green vote on LB26. I am more than happy to sit around and answer any questions, but the fiscal impact is not that big as you look across what we've already spent in our budget and other tax exemptions. But again, when you think about what is essential for life, drinking water is one of them. And with that, I again thank

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Senator Pahls for prioritizing this and open it up for any debate and answer any questions. Thank you, Mr. President.

HILGERS: Thanks, Senator Wayne. Debate now open on LB26. Senator Pahls, you're recognized.

PAHLS: Thank you, Mr. President, and I do appreciate your work on this, Senator. If you can recall, last week I spent quite a bit of time talking about tax exemptions. I did not say do away with them. I said, let's take a look at them. Let's look for balance. That's what I believe is balance. Just to give you an idea, in 1967, we established that there would be a \$23 million, basically that's what this sum is, for water use in manufacturing and irrigation. It's \$23 million. In 1996, we also added additional water conditions dealing with animals, etcetera, etcetera, and that was a little over \$21 million. So those two things, not dealing with human, consumption eventually by us, but that's over \$40-some million that we have already designated in the area of water. This is quite a bit-- I think the total bill is a little over \$6 million. I know that's a-- that's a chunk of money, but balance over \$46 million. And then I took a look at what we do for food. We exempt around \$206 million for food and ingredients. So this is not something new except we've never exempted it before. So I'm going to ask you to take a look at this and see if this, in your mind's eye, if you can see this as a fairness issue. I know we have an awful lot of things to look at. And Senator Stinner made a comment about, he didn't know too much about this particular bill, six and a half, but I can assure him before the day is over with, you're going to hear other bills dealing with exemptions. You're going to hear a bill talking about exempting trailers. Can you believe that? Now, another thing too that every night I go home, I listen to my faucet, drip, drip, drip. Somebody says you ought to fix it so I had my plumber come in and fix it and you know what? It still is dripping. So help me, you know, help me with that part. Again, trying to make a little bit of humor there, but like I say, there's not a lot to talk about on this bill. It's either-- to me, it's an up or down. And for those of you who are a little bit more scientific, I think 60 percent of your body is made up of water. So, see, you know, we can't exempt that part of it. Thank you.

HILGERS: Thanks, Senator Pahls. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Mr. Speaker. Would Senator Wayne, yield to a question?

HILGERS: Senator Wayne, will you yield?

WAYNE: Yes.

BOSTELMAN: Thank you, Senator Wayne. Apologize for not talking to you before, but this isn't a difficult question. So we're talking about the tax at the-- at the house at the faucet, is that right?

WAYNE: Yes. It will be residential units or homes, yes.

BOSTELMAN: And how much of that is used for other than drinking, showering, lawn use, what it might be?

WAYNE: We have not been able to determine that. There's no study on it.

BOSTELMAN: So, I guess my-- my comment is and we've talked about this on the mike before when you brought this bill before us, when I put my well in, my drinking water that I have at my house or my drinking water, I pay all the taxes on all the-- on all the material that we put in the-- you know, when we drilled the well, all those expenses, I had to pay taxes on that. So I'm in a sense, I am paying a tax on-- on the water that I do drink.

WAYNE: We pay that too. So when MUD actually builds all their pipe, all their-- or any city builds their waterways, they pay tax on all the products and all the supply is coming from that. Actually, water is one of the few areas where we have a double taxation on supplies for a political subdivision and then we do the sales tax on it. So we're eliminating one of those taxes on the sale in for residential.

BOSTELMAN: And so what's-- what's that tax used for?

WAYNE: Well, it goes into the general-- the cities or municipality's general fund budget and they use it for whatever they-- they want to use it for.

BOSTELMAN: So infrastructure again, type of things for water lines, whatever it might be or--

WAYNE: Well--

BOSTELMAN: --other use?

WAYNE: Well, what's interesting about the infrastructure in Omaha, we have a water infrastructure replacement fee of \$4, so I'm looking at my tax and then my sales tax on that is \$11. So I'm not sure what all-- and then we have a sewer separation fee too. So I don't know

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what that's used for. And almost every municipality has some type of fee.

BOSTELMAN: OK, thank you. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Bostelman and Senator Wayne. Senator Briese, you're recognized.

BRIESE: Thank you, Mr. President. Good afternoon, colleagues. I rise in support of Senator Wayne's LB26, and I know that it can provide a small measure of tax relief to a broad swath of Nebraskans and that makes it attractive to me. And it kind of fits with a point that Senator Groene brought up this morning about, you know, our goal should be to provide tax relief to-- we we're talking about incentives at the time, but when we do things, it's best if we can do them to benefit as many folks as possible at once. You know, it doesn't always work that way for obvious reasons, but here we are impacting a broad swath of Nebraskans. This relief gets dispersed to most of our population, probably more so than many of the other things we do in this body and I like it for that reason. And obviously it doesn't benefit ag, but that's beside the point. We've done some ag friendly things here recently, and the hope is that what we do evens out over time. And so I do support it. But with that said, you know, I do know that there's considerable buzz about comprehensive tax reform, modernizing our tax code, comprehensive education funding reform, and last week we spoke about the relative burdens of the property taxpayers, the folks pay sales tax, which we all do, and the income tax burden. And I maintain we collect roughly \$950 million more in property taxes, net of credits and factoring in the 1107 calculations than we do in sales taxes, and I know Senator Stinner made a similar comment last week and I'll have to compare notes with him to see how his numbers were. I didn't quite catch it on the mike, but-- but the point is that comprehensive tax reform will probably someday hinge upon an expansion of the sales tax base. It will likely hinge upon that expansion and really the ideal sales tax is a one-time tax on a retail consumer transaction. In municipal water, it does kind of check that box. And it's a sales tax that is broad-based with broad application, so this is an exemption we're talking about here that may someday be targeted in our efforts to effectuate comprehensive tax reform. But I think for now, I support this exemption. Let's move it forward, give that wide swath of Nebraskans a small measure of tax relief. They will appreciate it. Thank you, Mr. President.

HILGERS: Thanks, Senator Briese. Senator Groene, you're recognized.

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GROENE: Thank you, Mr. President. Touche, Senator Briese. I-- this would be a general tax for most taxpayers, everybody gets it or nobody gets it. They don't have to fill out forms. But I do have a concern about doing this because it does hit the state General Fund quite hard, \$9 million-- over \$9 million prior to the-- to the 2024-25. Then the Highway Improvement Fund gets hit and Highway Allocation fund gets hit. I think of Flint, Michigan, and I don't know the facts behind that, but the reality is, was it a lack of tax funds what happened in Flint that they didn't keep up their water system? Was it-- could have been more than likely was just plain government mismanagement of funds that they gave it for pension funds or something, knowing Michigan, versus fixing the pipes for the poor. But I-- I-- Senator Wayne, I listened to you and it's surprising they have a fee to replace pipes, but I don't know, I suppose this tax just goes in-- and the city gets 2.5 percent too, so 2 percent too, so that's a third of that the cities will lose if we do this. I don't know if they're using that for their upgrading their water systems or not, but the water is still free. You can take a 5-gallon bucket down to the Missouri River and bring it back home and boil it and drink it and that's free. Somebody's got to pay for the pipes, the purification plants and all of that. That's necessary. Now, some might say, well, why don't my property taxes pay for that? That's infrastructure. It should pay for my streets, my sidewalks and my firemen and my water delivery. So it's one of them quandaries where you say, well, who's paying for what and how do you pay for it? So I'm going to listen to the debate. It's another big hit to the General Fund. And it is a-- on the back-- on the other side of that, it's a fair tax. If you're living in a tenement and all you're-- is drinking water, it's you're not paying a lot. If you're out there in the suburbs with Senator Bostelman hinted at and you're pouring water on to an acre of grass, well, you need to pay a little more for that infrastructure than the individual living in an apartment in the old part of Omaha, but-- so I-- I see the fairness of it on both sides of it. It's a use tax. You use more water, you pay more. But it also is a basic-- something basic we need to survive. But somebody's got to make sure Omaha doesn't turn into Flint, Michigan. And that means somebody has to pay taxes and somebody has to generate funds to keep the infrastructure up. So I'll, I'll listen to the debate and see where I end up. Thank you.

HILGERS: Thanks, Senator Groene. Senator McCollister, you're recognized.

McCOLLISTER: Mr. President. Thank you, Mr. President. Good afternoon again, colleagues. LB26 is a very interesting bill. Why is it so interesting? Because it does, in fact, take money out of the state

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treasury, \$8 million, so it's a sizable impact to the state budget. City of Omaha, of course, it would cost them as well. So they're opposed to the bill. But the rate payers of Omaha, the MUD ratepayers, they, of course, favor this bill. The ultimate irony is that you pay sales tax on the water that comes out of your faucet, but there's no sales tax on bottled water. It just doesn't make any sense. I was on the MUD board for 30 years and, of course, we always thought that charging tax on water that comes out of a faucet was totally unjust and I think there's some truth to that. But this bill, like LB-- the bill that was heard previously, LB64, we need to fit it into the state budget in some kind of comprehensive way. Maybe we need to make a start on this and slowly, over a number of years, reduce the impact. You can't expect the city of Omaha and the state to absorb a fairly substantial loss in one year. So I think that's something we should consider as the bills move forward, come up with a group of bills that minimizes the tax cost to the state, the revenue loss, and therefore give people a-- some tax relief in a variety of ways, but none of which totally harms the state budget. Thank you, Mr. President.

HILGERS: Thanks, Senator McCollister. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. Speaker. I stand in support of Senator Wayne's legislation and Senator Pahls's priority bill. We spent, since I've been on Revenue Committee, a lot of time looking at exemptions. And I think Senator McCollister just mentioned this. Somehow when I buy a bottle of the water and I don't pay taxes, but tap water is taxed, just-- it doesn't make sense to me. And it doesn't, you know, this isn't like everybody does this because I live in a SID, we have our own well, we pay for our water. I don't pay taxes on it. I don't pay taxes on water that I-- so, I don't know how-- and I guess I know specifically because part of my district is within the city limits, we're hitting Omaha-- Omaha homeowners really tough on these utilities. I think, as Senator Wayne suggested. Well, like the gentleman, older gentleman, retired, lives in Elkhorn, his-- his sewer bill is 50 bucks a month. And now he's in Elkhorn and he's got a good retirement, so he can do that, but I think about all the people who live in Omaha who are low-income and they get a \$50 sewer bill, which is 600 bucks a year and if you're like on the lower 50 percentile, \$600 a year is a lot, and then we add sales tax on top of it and then sales tax on tap water. I don't, I-- I'm-- I have a record to prove it. I'm for expanding the base and taxing things we don't tax now in sales tax. I have supported that. And I hope at some point we get to real tax reform. But I don't think we'll ever get to the point where we're taxing food. Well, maybe we do tax some food if it's warm and

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you can take it home and it hasn't gone in the refrigerator, but if we're not taxing food, how can we tax water? I don't-- I don't-- it doesn't make sense to me, there's a lot of things. I could give you a whole list as Senator Pahls has talked about and others. Senator Briese has brought bills, Senator Friesen. There's a whole bunch of things we probably should be taxing that we're not, but this is not one of them. So I would ask you for your support on these-- on this bill and move it to Select. Thank you.

HILGERS: Thanks, Senator Linehan. Senator Hughes, you're recognized.

HUGHES: Thank you, Mr. President. Good afternoon, colleagues. Wonder if Senator Wayne would yield to a question or two.

HILGERS: Senator Wayne, will you yield?

WAYNE: Yes.

HUGHES: Thank you, Senator Wayne. As we talked off the mike a minute ago, do you have any idea what the water treatment costs are for potable water in our cities?

WAYNE: I do not. I would hope that went to my underlining cost of the water, though.

HUGHES: OK. Well, the reason-- the reason I bring that up is there's a challenge that cities have in delivering clean water to their citizens. And this-- this goes across every municipality that has a municipal water system. If it wasn't for human consumption, there's a lot of water that could be pumped straight from the river, straight from the aquifer that would be fine for watering lawns or doing other industrial uses, that individual washing your car, whatever. So to me, there's a-- if we have two water lines, one for potable water and one for untreated water, we could cut the expense down. But I guess my main point that I want to talk about here is by the cities charging sales tax on their water, they're not-- they're paying the bill as somewhat of a user tax and they're providing an opportunity to have lower property taxes. If we pass this bill, the cities has left-- have less revenue and their only avenue is to raise property tax as long as they under their levy limit, which with residential values going up, they will make up the difference. And I'm probably OK with that because the municipalities have lots of different ways to raise revenue. You know, they have right-of-way taxes and they have restaurant taxes and lodging taxes and city sales tax that are all ways to reduce their property taxes. So I'm just thinking kind of out loud here about the different costs of potable water for the

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residents, but we also need to keep in mind that this is a revenue stream that comes to the city to pay for services that are rendered. Thank you, Mr. President.

HILGERS: Thanks, Senator Hughes and Senator Wayne. Senator Groene, you're recognized.

GROENE: Thank you. Somebody correct me if my memory isn't-- but since I've been here, I think there was an attempt by the city of Omaha to have a turnback tax to do this with the sales tax dollars to help with their water system and sewer system, which we hear is a billion dollar project. I just got the email from a representative. I was trying to read LB178, it probably is something similar to that. My fear is as redistricting comes and they keep pushing away their decision to fix their water system and Lincoln's looking for a lake or whatever so they can grow and find new sources of water, then we, rural Nebraska are outvoted and our taxes end up building a sewer system for Omaha and building a lake for Lincoln. If I could get a commitment that-- all right, so we're taking \$9 million out of our tax revenues, but you're not going to come back to us, this body and say, well, we need \$9 million or \$10 million as aid to build a sewer system in-- in the-- Omaha. But I-- common sense tells me it's going to happen. There's going to be some more gimmicks, but I'm almost to the point, if you want to turn this into a turnback tax and then want to write it in blood that you never come back to this body ask for more money to help with your sewer system, I'd be fine with that because it's going to happen anyway down the road. But once, you-- I know I sound like a tax expander, once you cut taxes, it's hard to raise them again. And it is a fair tax. If you use it, you pay as much as you use. I guess you can go buy-- shut your water, city water off and not pay for it at all and go buy bottled water because you don't pay sales tax on that, I believe Senator McCollister is correct. It's considered a grocery, but I don't see this ending until there's a sewer system rebuilt in Omaha and some type of water source. Maybe they could go together, Lincoln and Omaha and share the water source out of the Missouri and build a pipeline or something, but then their taxpayers drink the water and use the water and bathe in the water and do their lawns. They could find a way to pay for it. Maybe we give them an exception to their sales tax, city sales tax that you can charge 5 percent on water and on sewer usage or 10 percent sales tax, occupation tax to get that sewer rebuilt. So anyway, this is one of them issues where I just would like, as a rural Senator, stay out of it because it is an urban issue, the cost of your infrastructures, water and sewer. So thank you.

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HILGERS: Senator Groene. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Colleagues, it's-- it's an expensive bill. It costs the state and it cost the cities. I understand that. But an idea that we could perhaps consider is passing bill, LB115, which would be a tax on pop and candy. It would generate about 33 million-- \$33,650,000 a year. That would certainly offset that tax loss that we'd have passing LB26 and I think that's something we should consider. Omaha would, I think, favor that kind of proposal, and it would be good for the state as well. And I think that might represent a good proposal. Often we pass a sales tax exemption without finding the revenue to replace it, but here's an instance where I think taxing pop and candy, like so many other states do. Neighboring Iowa, South Dakota, they-- they certainly tax pop and candy and-- and I think it ought to be something we consider as we move through this process. The bill was heard in committee, still in the Revenue Committee, and we could certainly amend this bill with my bill, LB115. Thank you.

HILGERS: Thanks, Senator McCollister. Senator Moser, you're recognized.

MOSER: Well, if you're trying to be a good steward of your money as a consumer, you shouldn't be buying bottled water in the grocery store. For a dollar a bottle you're paying probably 100 times more than if you got it out of your faucet at home and the water in your home has been purified, chlorinated, fluoridated-- fluoridated and it's-- it's safe to drink. The-- the cost of the water that you drink of your whole water bill is so small that the philosophical point that we're trying to make here is kind of lost in the shuffle and the cost of it is going to be huge compared to what little benefit you're going to get. And a lot of cities have local option sales tax. Some cities use those for General Fund support. Some cities use those for special projects but they're banking on those revenues to either support the General Fund or to support those special projects for which they were intended. So I understand the philosophical point of not wanting to charge sales tax on water, but the portion of the water that you drink is so small and there are so many other silly things that we all do with our-- our budget that I think it's-- it's a small point that we're making, but yet it's going to cost a lot of money. Cities have nowhere else to go. Well, they have-- I hesitate to bring this up when Senator Wayne's talking about at bill, but cell phone taxes and-- and cable TV tax and-- and-- and all those, those are generally General Fund support. But if you don't get sales tax and you're short of money, you're going to look to your property tax. So I think a

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property tax is worse than paying a sales tax. And in this case, I think a little bit by little bit we're giving up revenue and we're not spending less. We're not looking at why we have more employees per thousand than the surrounding states. We're not looking at why we're-- we're one of the highest tax states around. We need to get a handle on what we're spending money on and then give up income to reward the citizens. Thank you.

HILGERS: Thanks, Senator Moser. Senator Pahls, you're recognized.

PAHLS: Thank you, Mr. President. Senator Groene, I think I'm ready to negotiate because the bill, LB26, I don't want to get Senator Wayne mad at me, but that's going to cost the city of Omaha-- cost the city of Omaha \$1.5 million and the state \$6.5 and it goes up. So, and needless to say, the city of Omaha is not particularly happy with me, but this turnback, LB178, I'll buy that. Right now, I'll switch it like that if I could, because the city would get a turnback. They would get-- the city, nine, I think around \$9.5 million. I'm doing this off of the top of my head, and in the second year, \$15 million. That doesn't sound like a bad trade. Those are the taxes that the people of Omaha are paying. A turnback by LB26, the city of Omaha is losing, actually, a million and a half. So if you think-- I think it's LB178, if that's a better way of going, I'm willing to do just sort of like Senator Flood did earlier. Let's attach this to this bill and let's work it through and I'll Select File because I heard a lot of positive people saying-- a lot of people saying positive things about that. Let's talk about it for a little bit and then let's put-- let's finish it up on Select File. We just heard that not too long ago. The only thing I'm asking or want you to think about referring back to LB26, we spend over \$40 million on water, because we talked about the rural city on irrigation for the animals, that was in '67, so by now that would've been several hundreds of thousands of dollars if you had it over the years. In '96, we added dealing with the animals and veterinarian issues. I'm just looking for balance here. But again, if you say this is maybe not the way to go, we could rethink and look to the turnback because we-- actually I believe the city does deserve that because that's taxes that they are saying give it back to us so we can use it to help us out. Two different ways are going here, so you may need to talk to Senator Wayne, maybe you can make a deal with him. Thank you.

HILGERS: Thanks, Senator Pahls. Senator Blood, you're recognized.

BLOOD: Thank you, Mr. Speaker. Fellow Senators, friends all, I have lots of agreements and disagreements to share with you. So I support Senator Wayne in principle because I absolutely, positively agree that

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that is double taxation and that is imposed really the hardest on our lower-income families and that's wrong. I also agree with Senator Groene on part of what he said when it comes to bill number, LB178, and Senator Pahls has brought that up as well. I actually think that we might want to consider replacing LB26 with LB178. And the reason I say that, again is because whether you agree with it or not, this is another unfunded mandate. We cannot keep taking money away from people's budgets and say, hey, surprise, we have no solution for you, but we're going take that out of your budget right now and then we'll sit there and point fingers at them and blame them for property taxes going up. We can't keep doing this. And LB178 kind of resolves that. The part that I disagree on with Senator Groene is when he said rural Nebraska should step aside because this is more of an urban issue. Well, I think if you were to reach out to most of your villages and cities, not your-- necessarily even your first-class cities or municipal ones or your-- I can't remember the other category, but not your bigger cities, I think you're going to find that budgetwise, this is more impactful on cities like Clay Center, Edgar, Blue Hill, that they don't have big budgets already and they're not prepared for you to take this money away from them. But LB178 kind of gives them an opening of things they can prepare for. I just-- I'm really concerned because I agree, Senator Wayne, double taxation is wrong. I agree that this really is a burden for lower-income families, but the problem that I have is that we can't keep doing these unfunded mandates. And unless I can see something that shows me that we're going to protect our municipalities and we're going to protect especially our cities and our villages, I don't think I can support this bill because what we're doing ultimately is raising property taxes, because that's all they really have, as Senator Moser pointed out. This is a weird place to be in because I want to take away this taxation and I clearly see it needs to go away but I don't think this is how we do it. I think we have to find a more reasonable approach, either by adding in LB178 and that becomes the bill, or by holding it over until we can get all the parties together and figure out how they can make this happen without it really taking over their budgets. And I know you guys are going to throw numbers around and say, well, it's only this amount of the budget and that amount in the budget, but then remember, that's what we said about all those unfunded mandates I talked about last week. Remember, Sarpy County in one year alone, paid \$81 million in taxpayer dollars to support unfunded mandates that they handed down here in Lincoln. We can't keep passing it on to them and then pretending we did something good. So I just ask you, Senator Wayne, I support your bill, but can we find some reasonable way to implement this, such as implementing Senator Lindstrom's bill or holding on to it so we can have some more discussion with our cities and villages especially, so

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we can find a way to maybe phase this in? Because I think that this is just too much, too quick. Thank you, Mr. Speaker.

HILGERS: Thanks, Senator Blood. Seeing no one else in the queue, Senator Wayne, you're welcome to close.

WAYNE: Thank you, Mr. President. And colleagues, I want to first talk-- I want to answer Senator Groene's question about Flint. Flint was a simple solution and what happened was in 2000-- simple reason, 2014, the city council switched from the Detroit River to the Flint River, which was higher in acid, and they didn't add an anti-corrosive agent to the water. And so as the acid rose through the pipes of aging pipes throughout the city, they deteriorated and lead leached in and that was what the result of lead poisoning. Had nothing to do with anything else but poor planning and poor management, Senator Blood and others who are worried about the cost, so here's what happens in the city of Omaha and actually most municipalities. There is a water cost. That water cost for two months ago in my house was \$20.08. Then there is a service fee charge. That is what's supposed to go to servicing the water, which was \$13. Then there's a \$4 fee for infrastructure cost and by the way, there was an \$84.55 fee for the sewer separation. That's my water bill. The sales tax on that was about \$6. Last month it was a \$10.81 water fee. That's the actual cost of water, \$13.29 service fee, \$4 infrastructure cost, \$63.97 for sewer separation fee and a \$6.50 sales tax. My point is, the sales tax should not be factored into the cost of delivering water to your community. That is your service fee and your water charge. If they are incorporating the cost of their sales tax to deliver your water, they are doing it wrong. Simple mathematical equation. How much does it cost to get the water there? We should divide that by the number of people and that's how much your fee roughly should be. It shouldn't be an additional cost. The problem is that-- and the reason why the cities are-- do not want this to pass is because that sales tax is going into their General Fund, spent on everything else but the sewer and your water and we are saying no more of that. We value water. We understand that we cannot live without water. Here's the interesting fact. You can actually live longer without food than you can without water. That's how important water is. When you're fasting, they still tell you to drink water. That's how important water is. So this isn't just about a dollar statement we're saying as a body that we're willing to tax exempt it, this is really a statement that water is important to us and if we're going to tax exempt other inputs, there can't be a more important input to the human body than water. That's why this is important. That's why I ask you to vote green on LB26 and that's why I

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ask you to move this from General to Select File. Thank you, Mr. President.

HILGERS: Thank you, Senator Wayne. The question before the body is the advancement of LB26 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

ASSISTANT CLERK: 38 ayes, 3 nays on the advancement of the bill, Mr. President.

HILGERS: LB26 is advanced. Mr. Clerk, for items.

ASSISTANT CLERK: Mr. President, thank you. New A bill, LB428A by Senator Arch, to appropriate funds to carry out the provisions of LB428. Amendments to be printed to LB572 from Senator Brandt, Senator Geist to LB307 and Senator Morfeld to LB628. And finally, a communication from the Idaho Senate. That's all I have at this time.

HILGERS: Thank you, Mr. Clerk. Next bill on the agenda.

ASSISTANT CLERK: Mr. President, LB432 introduced by the Revenue Committee. It's a bill for an act relating to revenue and taxation; change income tax rates; to harmonize provisions; and repeal the original sections. The bill was introduced on January 15, referred to the Revenue Committee. That committee reports the bill to General File with committee amendments.

HILGERS: Senator Linehan, you are welcome to open on LB432.

LINEHAN: Thank you, Mr. Speaker. LB432 was originally a placeholder bill, so I would prefer-- pre-- prefer, I get it, to introduce AM774 at this time.

HILGERS: Please proceed on that committee amendment, Senator Linehan.

LINEHAN: Thank you. AM774 is a white copy amendment that becomes LB432. It includes portions or provisions of the following bills: LB564, LB597, LB680, LB299 as amended, and LB347 as amended. I would note that I also have a pending amendment, AM1080, which removes provisions of LB347, which I will explain when we get to LB347. First, let's go to LB564, which was introduced by Senator McDonnell. It would change the definition of qualified higher education expenses under the Nebraska Education Savings plan-- Trust, or NEST. Currently qualified expenses for which NEST funds may be used are generally limited to tuition, fees, books, supplies and equipment required for enrollment

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or attendance in an eligible education institution. LB564 would add the definition of qualified expenses, the cost incurred on or after January 1, 2021, for participation in an apprentice program under the National Apprentice program under Title 29 of the United States Code, Section 50. So the federal government has already made this exception. The committee voted 8-0 to amend LB564 to LB432. There is no fiscal impact from this provision. LB597 was introduced by Senator Albrecht. It creates a refundable credit against individual income tax to the parents of stillborn children. In order to qualify for the credit, the following requirements must be met. You must provide a death certificate filed pursuant to Nebraska Statute Section 71-6061. You must document that the child had advanced to at least the 20th week of gestation. You must show that the child would have been a dependent of the individual or married couple claiming the credit. Several states have adopted this credit or have introduced similar legislation. The credit amount is \$2,000 for taxable years beginning or deemed to begin on or after January 1, 2022. The credit is allowed for any-- for the taxable year in which the stillbirth occurred. The committee voted 7-1 to amend LB597 into LB432. The estimated fiscal impact of this provision is \$300,000 per year. LB680 is my bill. It creates parity between Nebraska's individual and corporate tax rates. This is my effort, one of hopefully many, to move us away from our overdependence on incentive packages. We have to have big incentive packages like LB775, Nebraska Advantage, Imagine Nebraska, because our tax rates are too high. Nebraska's corporate income tax is paid at the entity level and has two brackets. The first is \$100,000 of taxable income and is taxed at a rate of 5.58 percent. All taxable income in excess of \$100,000 is taxed at a rate of 7.81 percent or almost 8 percent. Any distributions to the shareholder are then taxed again at the shareholder level, in essence the same income is being taxed twice. Most businesses today are formed as pass-through entities, S corps, LLCs, partnerships, not traditional S corporation-- C corporations, excuse me, traditional C corporations. These pass-through entities do not pay tax at the entity level like a traditional corporation. The income is distributed to their members or shareholders and then taxed only once at the individual level. And even though it's only taxed once, our highest individual rate is 6.84 percent, which is almost a full percent below our corporate rate. I would say that's a matter of fairness. LB680 would create parity between the highest individual income tax rate and the top corporate rate. There is a fiscal impact going forward for this provision. An FY '21-22 is four point-- it's actually \$5 million, \$4.981 million, '22-23, \$20.2 million, and '23-24, \$35. But I think it's very important that we bring these top rates more in line with each other. The majority the committee agreed and voted 7-1 to amend LB650 into LB432. I want to pause here on the

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fiscal note too. Remember, we have a lot of-- the incentive package means that they're not paying that rate now because part of the incentive package is for giving taxes. We need to move-- again, we'd be better off moving away from incentives and dropping our rates. LB299 was introduced by Senator McDonnell. The bill creates Firefighter-- Firefighter Cancer Benefits Act. Beginning on or after January 1, 2022, under the green copy of the bill, every rural or suburban fire protection district, airport authority, city, village or nonprofit corporation would have been required to provide and maintain enhanced cancer benefits for firefighters unless he or she is already provided paid firefighter cancer benefits pursuant to Nebraska revenue statute, Section 35-1001. The committee felt that making this a mandate was not appropriate and therefore amended the bill to make it elective for these entities. And if they elect to provide these benefits, then the following provisions would apply. The combined benefits may not exceed \$50,000 during the firefighter's lifetime, and they may not receive benefits for more than one department. They may remain eligible for these benefits for 60 months, 5 years, after formal leaving as fire-- no longer being a firefighter. The State Fire Marshal is to report on the use of the program annually to the Legislature and the Governor beginning December 1, 2023. Benefits received under this act are excluded from the federal adjusted gross income for Nebraska income tax purposes. So the whole point of this is if they get the benefit, which is not mandated, but if they get the benefit, it wouldn't be part of their income for income tax purposes. The committee voted 7-1 to amend LB299 with the amended provisions into LB432. There was a small fiscal impact from the green copy of this bill, \$153,000. That is now changed to an elective program and I would expect the fiscal impact to be even smaller. Finally, the bill contains LB347, as amended by the committee. It would have created a new definition of dividends deemed-- deemed to be received to apply to the global intangible low tax income or what is commonly referred to as GILTI. Further, the amended version of LB347 would limit the deduction of this income on a go-forward basis. The original bill, which you have a physical copy, is to go back and recoup what they've already paid. The committee amended it so it's only going forward. In other words, the taxpayers would not file amended returns for prior years. The committee voted 8-0 to amend LB-- with the amended provisions into LB432. The fiscal impact of the green copy of this bill was more than 100,000-- a hundred thousand --a million dollars. \$100 million. Have a typo here. Even with the amendment, the cost is still too high. Therefore, I have AM1080 pending on LB432 which would remove these provisions from the bill. Let me be clear. I would like to do GILTI. I want to do GILTI. I would hope that we go ahead today--

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HUGHES: One minute.

LINEHAN: --and send it forward on to Select so we can negotiate some of this GILTI and also wait till Thursday like we're doing other bills to see what the forecast is. Colleagues, I realize there are a number of provisions included in this bill, but the committee felt strongly about creating the income tax patch each which address these issues. The Senators who introduced each of these bills can certainly speak to each provision, but I'd also be happy to take questions. Thank you, Mr. President.

HUGHES: Thank you, Senator Linehan. Mr. Clerk, there's an amendment to the committee amendment.

ASSISTANT CLERK: Mr. President, the first amendment to the committee amendments offered by Senator Machaela Cavanaugh, AM1110.

HUGHES: Senator Cavanaugh, you're recognized to open on AM1110.

M. CAVANAUGH: Thank you, Mr. President. Good late afternoon, colleagues. AM1110 amends the committee amendment and ultimately the underlying bill. It is a white copy amendment, so it would strike the original sections and all amendments and insert an increase in the tobacco tax to \$2.00. So it would be an increase of a \$1.13, I believe. And that increase goes directly into the Healthcare Cash Fund. Oh, I'm sorry, a \$1.36 because it's 64 cents currently. So it is a white copy amendment that inserts a \$1.36 into the tobacco tax and puts it in the Health Care Cash Fund. And that's pretty much the explanation of the bill. The Healthcare Cash Fund does go just to support some really important programs in the state and I thought that this was a suitable place for an increased tobacco tax to go. There are many things I would like to see this tobacco tax going towards, such as maternal health, because outcomes in maternal health are directly impacted by smoking. But at this point, I'll just appreciate your green vote on AM1110. Thank you.

HUGHES: Thank you, Senator Cavanaugh. Debate is now open on AM1110. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President.

HILGERS: Senator Linehan, for what purpose do you rise?

LINEHAN: I would like to challenge the germaneness of AM1110.

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HILGERS: Senator Linehan and Senator Machaela Cavanaugh, would you please approach? Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. It would appear that this does not fall under the right tax code, so I will go ahead and withdraw my amendment. Thank you.

HILGERS: AM1110 is withdrawn. Next item, Mr. Clerk.

ASSISTANT CLERK: Mr. President, the next amendment I have, Senator Blood, AM1058.

HILGERS: Senator Blood, you're recognized to open on AM1058.

BLOOD: Thank you, Mr. Speaker. Fellow Senators, friends all, I bring forward AM1058 after reading this Christmas tree bill, I saw a particular thing that I felt that was missing. So this amendment exempts breast pumps, associated tubing, breast pump collection, storage supplies and breast pads from sales taxes. This language was originally part of LB13 that I brought forward in 2019 that did have a hearing in front of the Revenue Committee. At that time there are two parts to that bill. The first part was the tax exemption and the second part of the bill which came to the floor prevented pearl-clutchers from asking law enforcement to cite a mother breastfeeding their children in public. With that said, the laws across the United States are frankly a patchwork and I believe needs to be changed. Breastfeeding may not be the right choice for all mothers, but is definitely the best choice for all babies. As I'm sure you know, the ACA does require insurance plans to include coverage of lactation support products and services. Health professionals in Nebraska and public health officials promote breastfeeding to improve infant health, both mothers and children benefit from breast milk. Breast milk contains antibodies that protect infants from bacteria and viruses and also provides long-term positive effects for the mother. Senator Flood, I can't hear. Lowering the cost of breastfeeding supplies to the consumer by making them tax exempt is going to save the state and its citizens anywhere between \$331 and \$471 per infant in health care costs. More women breastfeeding are always going to keep insurance premiums at bay as well. You may seem aware if you were served previously, like Senator Flood and Senator Lathrop, that Nebraska went through a period not too long ago where we faltered when it came to supporting our breastfeeding moms. As a result, there's been a variety of successful efforts in our medical community and at the state level to move Nebraska forward to embrace the breastfeeding community. Let's continue this trend by eliminating these sales taxes and in that same spirit, we can come together to

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also protect our families with this initiative, I've always found it a very interesting dichotomy that we are very vocal when we refer to Nebraska as a pro-life state, but we don't blink an eye when a mother must go back to work after only a few weeks of bonding with her child. It's an accepted expectation among many policymakers and frankly, we can do better as well. We're really talking about pennies and we're making an invaluable statement to Nebraska families that is worth much, much more. I appreciate your time today and would be happy to answer any questions you may have.

HILGERS: Thank you for your opening, Senator Blood. Debate is now open on AM1058.

LINEHAN: Point of order.

HILGERS: Senator Linehan, for what purpose do you rise?

LINEHAN: Germaneness.

HILGERS: Senator Linehan and Senator Blood, would you please approach?

HILGERS: Senator Blood, you are recognized.

BLOOD: I would like to begrudgingly remove it.

HILGERS: AM1058 is withdrawn. Mr. Clerk.

ASSISTANT CLERK: Next amendment I have is from Senator Linehan, AM1080.

HILGERS: Senator Linehan, you're recognized to open on AM1080.

LINEHAN: As I said previously, and it really-- this goes back to what Senator Stinner was-- excuse me, Chairman Stinner was talking about earlier this morning. We can't cut-- we can't exceed the money on the floor. So when I-- and we didn't know what the money was on the floor and we're kicking bills out, but I sat here last week and I'm like, OK, we have more in tax cuts coming up next week than we have money on the floor. So I looked at them and talked to the sponsors of the bill, and I would like to not-- really. I would like to pull AM1080 today and wait until after Thursday to see if there's something we can do here. So I would like to pull it now, but I'm trying to-- I am hopefully, not trying, but am showing some good faith effort here to stay within the parameters of what we have on the floor. So all I'm saying is and we don't really know what the fiscal note is because the original bill, it's just the last one I mentioned, LB347 took-- it not only said we're not going to have GILTI-- GILTI going forward, but it

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said we're not going to-- we're going to go back and recapture or let the taxpayer recapture what they've already paid. So until we get the bill back from fiscal when go to Select, we won't know exactly what that cost. Then there's other states that have not-- not taxed it at all. There's some that tax it at less. So I would just like to move this-- withdraw my amendment, move it on to Select, and then when we get a new fiscal note, we can look where we are. Thank you, Mr. President.

HUGHES: Thank you, Senator Linehan. Without objection, it is withdrawn. Mr. Clerk.

ASSISTANT CLERK: Mr. President, the next amendment for Senator Friesen, AM1132.

HUGHES: Senator Friesen, you're recognized to open on AM1132.

FRIESEN: Thank you, Mr. President. So I'm going to-- I'm going to spend a little time talking about a few components of it, but this amendment here takes the corporate tax rate cut and removes it from the bill. It strikes Section 12. So here's my little bit my thinking on what we're doing today and again, it goes back to looking at how many different programs out there we're starting to cut revenue streams, and this is bringing the corporate tax rate to parity with our individual tax rates. I've been a long supporter of cutting the corporate tax rate because corporations don't pay taxes, they collect them and pass them through to other people who buy their products. But in this case, I'm-- I'm looking at this and I'm-- I'm thinking today that we need to be again judicious and-- and handing out tax cuts, not knowing where we're going to be in future years. And I'm saying that when you understand the corporate tax law in this state and I-- I do have a C corp, and again I will say that there is no C corp in the state that pays our advertised rate. So when we say our tax rate is 8.7 percent, that is our advertised rate, but any corporation with any accounting firms at all or-- or any ability to look at accounting at all does not look at the advertised rate, no matter what they may tell you. No one has ever paid the advertised rate. So according to federal tax law, I am allowed to deduct all of my state and local taxes off my federal corporate return, which at the current rates, I'm getting a 21 percent right off on my state taxes then. And so what it does is basically effectively lowers my corporate tax rate to a rate that's probably a little bit below what our personal rate is. So again, I will say that there is no corporation that pays the advertised rate and you don't even have to do anything. You just have to pay taxes. And so I am-- I've been a strong supporter of the corporate rate cut, but at this time when I look at the revenue stream and where that

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money goes, I think 70 to 80 percent of it leaves the state to corporations that are headquartered out of the state and they're making money in the state. And so I-- I know there's different taxes on franchise fees. We've talked about them in the past and we've looked at different ways of revenue that is earned in this state and leaving the state tax free. Other states tax that revenue. I know we've dealt with it in years past and we had a different name for it, but it is a tax on basically the franchise fee, the franchise money that leaves the state. But this here is strictly the corporate tax rate and again, I will say no one pays the advertised rate. And so when I look at the fiscal note and I look going forward to what our revenues could be doing in three, four or five and six years down the road, I am concerned that we have done too much when we're starting to do the Social Security tax cut and everything else. All the corporations that I've talked to in the past, I mean, yes, there's some that want a tax cut, but most of them say they just want stable tax policy. And so I think by-- by doing something right now, I am concerned that in the longer term fiscal picture, we're doing something that we may be sorry for years three and four and five down the road. And so I am concerned about our long-term fiscal health, and I'm thinking that this is one of the things today that we can do that I don't think it changes any business practices. It's-- it still is-- again, I agree with the statement that somebody is going to make that corporations don't pay taxes. But again, we have incentives out there. And yes, I would rather offer those incentives and have a-- or take away the incentives and lower the tax rate. But most of the businesses that are coming to the state today or that are here, operate under different rules of tax code. They're either LLCs or subchapter Ses. So with that said, I think we need to have a long discussion today about this tax and how we go moving forward. And I don't know-- I haven't decided yet if I want to pull this amendment and let it go to Select like Senator Linehan has done on some. I'm sometimes not that generous of a guy, so I want to at least have the discussion and see once where people are going and I'll make a decision at some point whether or not we want to take this to a vote or if we want to continue that discussion. With that, I do have some other things I want to talk about in the bill down the road, but that pretty well wraps up the amendment that I've proposed. Thank you, Mr. President.

HUGHES: Thank you, Senator Friesen. Debate is now open on AM1132. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Afternoon again, colleagues. This is an interesting bill, LB432. You look at the components of this bill and you see a lot of money that would be deduction. One of the

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L-- one of the bills in the bill, LB347, there's a \$107 million fiscal note. LB680, there's a \$5 million fiscal note and going now forward, there's a \$20 million fiscal note. But yet when you look at the fiscal note for LB432, you see a number that's rather small, a nominal \$60,000. So I'd like to ask Senator Linehan a question or three. In fact, I just would yield the balance of my time to Senator Linehan, and she can tell me how this magical sausage making works out in a way that there's virtually no fiscal note on this bill.

HUGHES: Senator Linehan, 3:57.

LINEHAN: Thank you. Thank you, Senator McCollister, for the question. It's a good question. So as I started in my opening, what we do in Revenue, before I got there and since I've been there as Chair, is we start the year with three placeholder bills, one for sales tax, one for property tax and one for income taxes. So this originally was a placeholder bill for income taxes with the idea the committee-- here's all senators who have ideas on income taxes. And then after we get done with our hearings, we exec and we build a income tax package. So that's why there's such a big disconnect between what the fiscal note says on LB432 and what the fiscal notes say that are now part of the bill. And because and Senator-- Chairman Stinner can speak to this because the Fiscal Office doesn't know what we're going to do with this bill. We could do several things. We could do nothing, we could change it dramatically, we could-- so until they know what we're going to do and actually have in the bill, they don't give us a new fiscal note until we get to Select. But one of the bills you mentioned, LB347 is the one I talked to earlier. There is a very large fiscal note on that bill and already I know-- we know that is not a correct fiscal note because in that fiscal note we go back and we let the taxpayers recoup everything they've already paid. And then we let them not pay it going forward. So what the bill now says is they won't pay it going forward and we don't have an idea until we get to Select on how much that would be. So what I've asked is if we can just move this to Select and I file an amendment which I've now pulled but I've also-- and I've told people already on the floor that if we get to Select and it's too big for what the money we have on the floor, then I will pull that part out. But I would like to see what just going forward cost because I think we're one of the only states that taxes at 100 percent. So, but we don't have the numbers. Until we get the numbers we can't make good decisions. So does that help? Would Senator McCollister yield for questions?

HUGHES: Senator McCollister, will you yield?

McCOLLISTER: Yes.

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LINEHAN: Does that help explain, kind of?

McCOLLISTER: It does and I understand the rationale. Understand that, but we'll look at the components of the bill and add that up together and see if it stands fiscal review.

LINEHAN: Right. That's where we need to get. So thank you, Senator McCollister.

HUGHES: Thank you, Senators McCollister and Linehan. Senator Hunt, you're recognized. Oh, excuse me, Speaker Hilgers, for an announcement.

HILGERS: Thank you, Mr. President. Good evening or late afternoon, colleagues. Just a quick programming note for scheduling today. As I announced last week, we're going to try to take our break around 7 get-- depending on progress and we're going to monitor progress each day. Given our progress today, my intent is to just go through our break and end around 8:15 or so. Depending on progress, we could get done a little bit later, maybe, or a little bit earlier, but right now, just for your planning purposes, we'll just continue to go through our 7 o'clock break and end a little bit earlier this evening. Thank you, Mr. President.

HUGHES: Thank you, Speaker Hilgers. Now, Senator Hunt, you are recognized.

HUNT: Thank you, Mr. President. Colleagues, I rise in opposition to the underlying bill. Senator Friesen's AM1132 to remove the corporate tax decrease makes it better to me because what Nebraska doesn't need is more tax cuts for corporations. Here's my problem with the underlying bill, and there are many components of the Christmas tree that I don't care for and I'm not comfortable with, but I can speak to it generally right now on my first time on the mike. According to the Institute on Taxation and Economic Policy, 83 percent of the tax cut in LB432, as amended, would flow out of the state, leaving just 17 percent for Nebraskans. Cutting the rate is also not likely to result in any economic growth. Both the Congressional Budget Office and Mark Zandi, the co-founder of Moody's Analytics, have found that corporate tax cuts aren't an effective way to stimulate the economy for everybody. With the CBO writing that increasing the after tax income of businesses typically does not create much incentive for them to hire more workers to produce more because production depends principally on their ability to sell their products. Once again, colleagues and Nebraskans, I feel like we're trying to have an argument that we-- we can't get businesses and we can't get workers,

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and we can't get people to want to move to Nebraska based on the merits of our state. We just want them to move here because it's the cheapest state and we can't continue this race to the bottom that we've seen as a pattern in so many conversations and so many bills that have been introduced this year. If this passes, the state would be narrowing its tax base to benefit nonNebraska residents. And we would also be leaving future Legislatures to decide what taxes to raise, what taxes to cut, what vital services to cut. Many of these services, of course, being shown to increase the economy and to make the economy better like good schools. We say that measures like this are intended to benefit Nebraska's economy by bringing more business investment and jobs here. But when I talk to Nebraskans, not just in my district in Omaha, but all over the state, it's pretty far from what they want and what they're actually asking the Legislature for. Our economy is pretty good in Nebraska. Our unemployment is very low, so we have to stop pretending like we're looking out for everyday Nebraskans by creating job opportunities and economic growth when that's not really what we're doing. Let's just call it what it is: tax breaks for the wealthy and tax breaks for corporations and tax breaks for the privileged. The bottom line is that the same senators who keep hammering us with demands for property tax relief are the same ones who are trying to divert public funding to private schools, to give tax breaks to large corporations, and to cut taxes for the wealthy. So the pattern here is that our alleged movement for tax relief is not for the average Nebraskan because that isn't the kind of tax relief and the kind of, you know, increase in quality of life that most Nebraskans are going to have access to. Last week, we had extended discussion about what it's going to take to come to an agreement in the Legislature about property tax relief. And during these debates, we talked about how the appropriate way to go about it is to better support our schools. Measures like this, like LB432 actually cut in the opposite direction by decreasing our General Fund. The more we keep cutting here, cutting there, a credit here, the less we have to work with for property tax reduction and the less we have to increase services, which is actually what Nebraskans are asking for in terms of what I hear. I would ask, why do corporations keep winning in this Legislature when schools keep getting the short end of the stick? As we can see, money talks and the Governor and senators who are supported by the Governor and wealthy corporate interests are pushing their own agenda for tax reform at the expense of everyday Nebraskans. I don't typically get engaged in conversations around taxes if we're going to-- taxes go up, taxes go down, whatever it's going to be, because when I introduce bills that Nebraskans ask for to help the quality of life of Nebraskans, we never really give those bills a fair shake. So when we're talking about what percentage we're going to

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increase or decrease the taxes on the wealthiest Nebraskans, it's still 85, 90 percent of Nebraskans who are working class, who are middle class, who get nothing. So I mean, we're going to take weeks--

HUGHES: Time, Senator.

HUNT: --to debate. Oh, I didn't get my one minute.

HUGHES: My apologies. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. Senator Hunt, would you like a few minutes? I can yield you some time.

HUNT: Thank you.

J. CAVANAUGH: I'd like to hear the end of what Senator Hunt was talking about, but I'm sure she'll get back on and-- and we'll get to hear that. Well, I'm rising in support of Senator Friesen's amendment. I was actually in support of Senator Linehan's previous amendment, and I was going to rise in support of that initially. And so I'm disappointed that she pulled that amendment. And I guess I could talk about both of them, but I would echo a lot of what Senator Hunt was saying about the conversations we're having here and the nature of this funding. And when it comes to taxation, I know we-- nobody likes to pay taxes. We can all agree on that part. And then the question is, how do you fund the essential services of government in the least painful way? And those are a lot of the questions that we're having and then we have disagreements about what are essential and what is painful. But when it comes to particularly these two issues, the one that Senator Linehan has pulled the amendment off to have a conversation about and this amendment that Senator Friesen has brought, is that these tax cuts, if they remain in the bill, are the type that are essentially freebies for the individual entities that are getting these tax cuts. They-- it's not incentives that are going to change behavior and to create a model like we talk about. I know some people-- we talked about earlier, we don't like incentives, but incentives are designed to incentivize behavior that we like. And that's exactly-- you can view taxation in that way, a lot of ways. We talk about we want to decrease property taxes because we want to incentivize people to buy homes and we want to decrease your business taxes because we want to incentivize people to create businesses. But these are cuts on income that already exist and in particularly the GILTI, I guess, is how it's pronounced tax that-- that cut in particular, would be exclusively to revenue that is inside the state of Nebraska and then would be off sending it outside of the state. And so when we're talking about all of this money, we're saying we don't

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have money for this, we don't have money for that, we start cutting revenue on some of these things to-- as giveaways, essentially, that is undermining the objective of funding these essential services. I don't know what the exact fiscal note is here. As-- as Senator Linehan pointed out, there are some changes that will change the nature of the fiscal note on these bills, but in the ballpark, at least one of them is \$50 million going forward. We had a conversation when the other Senator Cavanaugh brought an amendment to fully fund the developmental disability wait list. And I believe that was \$54 million a year. So when we're talking about what's-- what is important, what can we do? We can't do some of these essential things that we all agree we should be doing, and we talk about how we can't do them because we don't have the money. But where is that money going when you cut taxes for companies that are not going to-- it's not going to incentivize them to come here, it's going to allow companies that are already functioning here to have more money in their-- go to their shareholders and the-- the owners. I think Senator Hunt referenced a study that said that only 17 percent of the revenue would stay in the state of Nebraska. Is that correct? Did I get that right? I think I did. Which means that 83 percent of the tax cuts will go outside of the state of Nebraska. And I always like, when I look at opportunities for things that we can do where they have a multiplier effect in the community in which we do them. And so we talked about Senator McCollister's bill last week for the SNAP benefits, and I believe it was SNAP has a-- for every dollar in SNAP returns to that community at least a \$1.50, but I think it could be more. Same goes where I had an earned income tax credit so--

HUGHES: One minute.

J. CAVANAUGH: --of course, I'm not opposed to all tax cuts and I voted for the the Social Security tax cut today. But when we have an earned-- the earned income tax credit, which of course we didn't have the money to-- that got IPPed in committee. We didn't have the money to-- to do that, would have been about \$20 million a year that goes directly to Nebraskans, low-income Nebraskans in communities, and then they would reinvest that money in their community, and that would have a multiplier effect. Those are the types of investments that we need to be making. Those are the types of changes in the tax code that we can make to actually increase money spent in the state of Nebraska, not tax cuts for corporations that are outside the state of Nebraska, not tax cuts for money that is out-- that is being shifted outside of the state of Nebraska. So I'm in favor of AM1132, and I'd be in favor of Senator Linehan's amendment, which I think was AM1180 as well, and

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so I'll be voting for AM1132 when we get to it. Thank you, Mr. Speaker-- or Mr. President.

HUGHES: Thank you, Senator Cavanaugh. Senator Linehan, you're recognized.

LINEHAN: I'm sorry, guys, colleagues. Thank you, Mr. President. I just want to reiterate, I know this bill is not perfect and I know we have to be concerned about how much money we have on the floor. And I've already said that we need the GILTI thing. Here in the-- the corporate income tax, so I just think this is a matter of fairness. Why-- why, if you set yourself up as an S corp or an LLC, would you have a lower rate than if you're a corporation? Why shouldn't the top rate be the same? It-- it doesn't make any sense to me, and I understand that, you know, it's-- some people like to-- or understand, like kicking the hell-- heck out of the-- heck, I meant heck-- corporate America is good, but they're very important to Nebraska. We have some very big, significant corporations head-- headquartered here, Union Pacific Railroad. And as I've said before, we pass an incentive package every 10 years to make sure we keep them here. And I would like to, when we have the senior class here, which is about 12 to 13 members, and then my class, which is, I think, 17 members, and with that experience over the last six to eight years, I would like to do something about our tax structure so we don't have to depend on incentives. And if these two classes with the help of the people who have come back, Senator Flood, Senator Pahls, Senator Aguilar, we have a great group of people here and a lot of brainpower to actually move us away from incentives to a more fair tax system that treats people the same so we're not picking winners and losers, because that's what-- if we all leave and 10 years from now, all of us here in the last two years know what that's like. Do we really want to set our colleagues that follow us up with that again, where you get companies threatening to leave town? I don't think so. Some of the other things have been said on the floor concerning what the Congressional Budget Office thinks, and I-- and I'm not-- this is something I just know from my background of being in Congress, working in Congress, not-- as a staffer. The Congressional Budget Office says whatever the Congress wants them to say. It says conservative things when the Republicans are in charge and it says liberal things when the Democrats are in charge, that's how the Congress-- Congressional Budget Office works. So no, they're not now, under the currently who's in charge in Congress, they're not going to be for any tax cuts. That's not what the Congressional Budget Office would say. To say that tax cuts don't stimulate the economy, every-- every tax cut that has ever happened in my lifetime has in fact stimulated the economy. So I just-- I don't want us to get too hung up

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on what the Congressional Budget Office said. Another thing, and I've heard this several times, and I think I'm going to hear it more as the week proceeds, the way we describe public funds. There have been court cases on this. Public funds are the money we collect in taxes. It's not money we don't collect because of an incentive bill or because of tax credits for historical places or because of tax credits for-- all the tax credits and I will have a list of all the tax credits. I think this year--

HUGHES: One minute.

LINEHAN: --in the Revenue Committee, we had 10 hearings on tax credits. I'm sorry, that is not public money. And for us to say that somehow-- I mean, if you follow that logic to the end, then every dollar we have is public unless we decide to let you keep it. That's nuts. People earn their money and we should be very leery of taking it from them. It's not our money. It's not public money. It belongs to citizens of Nebraska who earn it. Thank you, Mr. President.

HUGHES: Thank you, Senator Linehan. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. I, at the moment, rise in support of the Friesen amendment. I can get in support of AM432 [SIC-- LB432]. That is going to depend on several votes this afternoon. I think I'm deciding to just kind of put cards on the table right now and let's-- let everybody know, including those watching and those out in the lobby know where we're at. It seems that there are multiple groups vote counting this bill in different directions, including on the Friesen amendment, as well as removing the GILTI provision, which was Senator Linehan's original amendment that she withdrew. In full disclosure, I had drafted amendments that are identical to the Friesen amendment and the Linehan amendment and was planning on dropping them. And then I saw the Linehan and Friesen amendments were dropped, so I didn't. And then when Linehan-- Senator Linehan withdrew her amendment, I then filed the one that should be coming up later that is identical to it. It is my intent to get a vote on GILTI on General File. I know, I not-- I might not win. I might-- might-- might lose. But I think it is important for us going forward to have a clear barometer on how people feel on GILTI, just as it's important for people to have a clear barometer on how they feel on the corporate income taxes. Willing to change and shift that strategy, but that's right now where I feel. Kind of in the context of all of these bills, you know, if this was separate bills dealing with these substantive areas, you know, we would all get an individual General File vote and we would understand where we were. I don't think this is

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necessarily the best strategy, the only strategy, but as a courtesy, as opposed to the confusion of trying to split up the committee amendment, that's where I was trending. And then I saw Senator Friesen and Senator Linehan go that way, and I just want to make sure to back up that I do agree with that strategy and hope we can go forward. So Senator Friesen, if you're listening, please don't pull your AM because if you do, we'll just have another AM that is three numbers different and literally word for word. This must have been the easiest thing for Bill Drafters because I had a word-for-word amendments drafted that they had already prepared. That being said, I want to talk broadly, as we're having discussions today and as we're discussing kind of the series of tax bills. I do appreciate the desire and the attempt to schedule and stack up the weeks like this because as we're seeing, we're having debates from one tax bill carryover to another and kind of go back and forth. You know, I've always thought it's kind of interesting that we, you know, in terms of our spending priorities, we always have a unified document, you know, the budget that is the central document, but as opposed to tax code, obviously it's structured such that we have no unified sense and so you have bits and pieces here and there. So scheduling them in succession in order is probably a good approximation, probably a good strategy. That being said, we know we've just had talks today about, you know, what were the impact of \$9 million in the state budget before exempting personal water use? You know, what will the long-term impact of Social Security cuts without an income limit or some sort of cap on them, what will that be? And now here we're talking about pretty substantive corporate tax cuts and corporate tax-- giveaways seems dismissive, but it's-- it's on the GILTI provision at least. I'm struggling to not frame it in that. That is a thing we are under no obligation to pass. And when we see all these things in succession, we see all these things that where I see an amendment such as, you know, the Social Security cut that applies to, at least as we've passed it, all seniors identically. Senator Wayne's bill on taxes applies to all, you know, every person who has at least municipal tap water evenly. And then we have a provision like this that has multiple provisions that impact multiple different things. I don't wanna get too far ahead, but you know, for example, GILTI when we get there specifically deals with multinational corporations who have offshore income. These are not--

HUGHES: One minute.

M. HANSEN: --small mom and pop businesses in the state of Nebraska. It's a pretty unique subset, and it doesn't apply to everyone differently. It applies to a special provision of people who have pretty substantive tax lawyers and accountants. And that's why I

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wanted to take some time and make sure that we know where the body stands on all of these different provisions. At a minimum, maybe some discussion going forward. Maybe we can get a sense of where the body lies. I know as they started off, vote counts are happening as we speak, and maybe we can get a sense of where to move forward. But for the moment, I want to make sure that we know that these votes are coming today and we're going to have some time to talk about these two amendments. So with that, I believe I'm about out of time. Thank you, Mr. President.

HUGHES: Thank you, Senator Matt Hansen. Senator Groene, you're recognized.

GROENE: Thank you. I stand in support of AM1132. Not on the Revenue Committee because I learned enough to last four years. Nebraska is a small state. Consciously or subconsciously, we have created a welcoming home for S corps and LLCs. I could name some pretty good sized companies that are locally owned. A couple of those guys are on the Board of Regents. We give them very good tax breaks. We don't repatriate incomes they make in other states and make them pay the state taxes. We have chosen that as an economic growth tool to attract subcorp Ses and LLCs. The corporations are McDonald's and their franchises here, the Targets, the Walmarts. They're going to be here no matter what. Facebooks, probably, they're going to be here because the customer is here. There's absolutely no financial reason or economic reason to lower the corporate income tax rate. We do not have a job shortage here from corporations. We have one of the lowest unemployment rates historically in the state. We are lacking employees who want to live here. That's what we're lacking. Everybody says, well, they're going to leave. Well, there was a major company that threatened to leave, we gave them \$4 million a year for 10 years in LB1107. They didn't ask for a lower tax rate, did they? They just wanted money. So are those the people we're going to play with all the time, or are we going to keep trying to attract workers with lower property taxes so they'll live here. We need workers. We don't need more cooperation, corporate jobs. It's a fact of life. The biggest reason corporations won't come here, they can't get the workers. Because they don't want to live here. So I see no reason to lower the corporate for any economic reason, for any tax policy reason, for any-- any reason. It's not necessary. There are a couple of bills in here, there's five bills in here. I kind of like Senator McDonnell's, prentice for the NEST funds. That's a good bill. That's blue collar jobs and and they ought to be able to use that trust fund for that. The stillborn, that's only a humane thing to do. Those-- Senator Albrecht's LB597. Had a lot of costs. Pregnancy-- tax break for a

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human being that died before birth should be given. That's only fairness. Corporate taxes or the-- or the payback going back on the federal tax reductions are not necessary. We like to spend money here, which some of us have said we're-- we are one of the highest-tax places already, but we spend that money. So if I'm going to give tax cuts, if we can't cut spending, it's going to be for the little guy. The worker with his Social Security pay. This will not-- cutting that tax on corporations will not bring one more company here, guarantee. Because even our-- even our top individual tax rate, which S corps and LLCs pay and wealthy pay in Nebraska, is higher than Texas or any of the major companies-- states we compete with if corporate income taxes are the reason they're coming or going. It isn't. We offer one of the best incentives in the nation with LB1107--

HUGHES: One minute.

GROENE: --they'll come for that because a CEO only cares about his life span before he takes his golden parachute and if he can get a tax cut to come to Nebraska for 10 years, he'll do it because he doesn't care when he's gone. All he cares about his bottom line while he's there. It's the way corporations work. So a tax break for corporations is not-- absolutely unnecessary, and I can't support the bill unless it's removed because I could be swayed on the other four bills. Thank you.

HUGHES: Thank you, Senator Groene. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. Again, if you're talking the corporate rate here and what we're trying to do today, we've talked over and over about next year we were going to address our overall tax policy as far as income taxes, whether they're personal or corporate rates. And so, I do think this is best left for next year. Let's pull it out of the bill this year. Let's get a chance to work on it next year and do a comprehensive plan instead of just taking little bites, little nibbles here and there. Let's work on an overall tax policy that is good for all Nebraskans. So when I look at again at the C corp, the way it is formed and what it has done today is, I don't believe that there is anyone would come in Nebraska and start a C corp today. There are too many tax advantages to starting either as an LLC or a subchapter S, that the C corp process is not needed and others have a far better tax advantage than the C corp component. So again, when we're looking at who pays these taxes, again, most of this money that we're giving in tax relief goes to out-of-state corporations that are not headquartered in Nebraska. So today, if you wanted to move your corporate headquarters of a C corp into the state of Nebraska, but you did no business in the state of Nebraska, you would pay no

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state income taxes. Each state taxes there where you earn the income, so any money that would be coming in would not be taxed. So if a company earned money in Texas, it would come into this corporation tax free because Texas doesn't have a state income tax, and so they just get no tax. If a company, or if a state does have a state tax, then they pay that tax and then it's credited towards their Nebraska liability. So when you look at the formation of the different options that are out there, everyone's going to look at what benefits them the most, and any startup company that's coming here is going to start up as an LLC or a subchapter S. We look at the benefits and there's no company that is not going to do business in Nebraska because we're taxing their profits, they're here because they're making money. And I'm not-- I don't want to raise their taxes because again, I don't-- I feel that if we raise taxes on a corporation, they just pass it along into the products they produce and somebody else pays that tax. But again, I don't think this is the proper time to lower those taxes. I think we need to look at this in the bigger picture next year and come up with some sort of comprehensive plan because I think it involves, you know, our ImagiNE Act and the Advantage Act credits and stuff. When you start taking away some of the corporate tax rates, that's what people are using their tax credits to buy down. And so obviously, it may lower the-- the need for some of the tax credits that have been earned but not redeemed yet, because they'll have to redeem them on something else besides their corporate taxes that are due. So I want everybody to just think of that-- that bigger picture of how we go forward to next year, what the revenue forecast is going to be this year is going to dictate a lot of going forward, but there are things we can do now to start set this process in place where not everybody ends up right next to the finish line. And then we have a feeding frenzy at the trough of who wins and who loses, and let's start prioritizing. And right now, what I'm saying, my priority is not giving a corporate tax cut this year. So again, I hope everybody looks at the different things that are happening as we go forward today. And this is one of those where it's not my priority and I hope everybody else looks at those priorities and tries to make a decision--

HUGHES: One minute.

FRIESEN: --on where we go with tax policy in the state. Thank you, Mr. President.

HUGHES: Thank you, Senator Friesen. Senator Flood, you're recognized.

FLOOD: Thank you, Mr. President, and members, and I appreciate where Senator Friesen and Senator Groene are coming from and what I-- from. And I-- and I appreciate where Senator Groene is coming from about

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making sure we help the small guy. And you know, you're right, if you have an LLC or a sub S corp, you are on par with the way we tax individuals. But here's what I would tell you, just a couple of things. Imagine being in South Sioux City and being in Senator Albrecht's district, and you're looking across the river at South Dakota. Those of us that live in northeast Nebraska, we live awfully close to a state like South Dakota where it's zero. And we're trying to create opportunity in these areas right along the river with states like Iowa and Kansas and Colorado and of all places, Wyoming. For me, I happen to have the gold star of C corporations paying income taxes on corporate-- corporate income taxes on apportionment selling a lot of product into the state of Nebraska. That corporation is Nucor Steel. Average wage is \$87,000 for a blue collar worker that makes steel in the middle of a cornfield in a town in a state that doesn't deserve a steel mill when you look at the way the Midwest works. In fact, were the only steel mill in the Upper Midwest. We melt down scrap. We-- we use 150 megawatts and we use an electrode and we melt it down to its liquid level and then we pour it into bar and we make the bar that builds America. And we do it with a thousand steel workers in a town of 25,000. And by the way, they do a million dollars for the YMCA, and they are given \$500,000 to the Carson Cancer Center. They are the best corporate citizens you could want. And this bill sends a couple messages. Number one, it says, you know what, Nucor, you can expand, you can grow, there's a reason you have four of your divisions in a town my size, you have it because we've been good to you. And with Nucor and from where I come from, this makes sense because I've seen the very best of corporate America and we see it in other corporate giants that locate their businesses in our state. The other thing I tell you is I have a C corp. I have an LLC and I'm a-- I'm a Nebraska business. I have a C corp that I started in 2013. I have an LLC that I started in 2000. I have several LLCs. I'm a Nebraskan. Why am I treated differently in one other than the other? Like, I think there's some value to that parity when we boil it down to the taxpayer because at the end of the day, somebody's always paying the tax and ultimately it's the people that make the economy go. And the question is, do you want community reinvestment? Do you want to attract business? Do you want to be a leader in economic development? We have great incentives and I agree. But the growth in our corporate income, corporate tax income has been significant and I-- I'm going to vote no on the amendment. I'm going to vote for the Revenue Committee amendment, which I supported in committee, and obviously the underlying bill. And I do want to see what the fiscal note looks like on Select File. I want to know what the revenue forecast is, and I think it's a courtesy, given the fact that we did this this morning or this afternoon on a bill that we all care about,

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which is the Social Security discussion. Let's take a look at this on Select File. But I don't think that we can only talk about property tax relief. We have to talk about everything, sales tax, which we just did on the water, which, you know, passed with what, 38 votes, which I was happy to see. This is not the end of the world, and taking this out now, I think, is premature. It sends a message that I don't know that we want sent today. I certainly don't want to go back to companies like Nucor and say, we want to be less competitive as you decide where you're going to put your next expansion.

HUGHES: One minute.

FLOOD: \$87,000 for a blue collar job working in a steel mill is a pretty good job, and when you've got a gold star employer in your community that's driving your economy and giving back at every single corner. I invite you to come to my community. You can look at where they have donated every single park structure, inside our brand new \$14 million field house is a million dollar indoor field house, and it says Nucor Steel on there. We're spoiled because we've seen the best of corporate America and we see it and live it and love it every day. And I think this bill, as amended by AM774 is the right direction and I am going to vote no on AM1132. Thank you, Mr. President.

HUGHES: Thank you, Senator Flood. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. President. I rise in opposition to all of it for a few different reasons. There are some things in this bill that I think are good things. There's something for firefighters that I think is a very good thing, and there is some changes to NEST accounts that I'm interested in us exploring. But I don't like bills that are clearly crafted to-- to kind of push me in a direction. I would have preferred that we divide the question on this bill. I know that others are putting up amendments to strike the parts that they don't like, and since that is the route that we are going, I have also put an amendment up to strike a part that I do not agree with, and that I think should be a standalone bill if it's going to be voted on in this body, not part of a Christmas tree. But I will talk more about that when we get to that bill. Just want to reiterate the thing that I think is most important here is taking care of people and the revenue bills that we've been discussing today for the most part, have not been addressing the people of Nebraska. So I think we're going to be here for a while. There's several amendments up on the board. I know the Speaker said that we're going to work through dinner till 8:15. And I think that brings us to somewhere around four hours on this bill. I'm not entirely sure, but so I know we're going to have another

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four hours to, to go on this bill. And maybe not, maybe we won't have another four hours to go. Maybe something will be worked out after we adjourn on this tonight and everyone can come together and actually work on something. We don't have to go to the eight hours now and have it just fail on cloture, but I do think that there are some important things in this bill. I think everybody thinks that there's something important in this bill, but there's clearly not agreement on what those important things are and so I will not be supporting them. I would like to talk about the disability-- developmental disability waiting list. I hope that by continuing to talk about this at some point, maybe through osmosis, this body, this Legislature will start to take this seriously. Women oftentimes have to say things multiple times or have somebody else repeat them before it is heard. And I'm just taking it upon myself. The women are nodding. I'm just taking it upon myself to make myself heard. So I'm just going to keep beating this drum until you all hear me, because it is way, way too important for you to discount people with developmental disabilities just because I'm a woman talking about it. So the impact of the developmental disability waiting list, and I should note I would like a one minute heads up. That seems to be an issue today. The meaning-- to live meaningful lives outside of the institutional settings, people with intellectual and developmental disabilities, or I/DD need Medicaid, home and community-based waiver services, also known as HCBS. Waiver services provided in the individual's own home or apartment, provide education, training and support to maintain or increase independent living skills, skills such as housekeeping, meal planning was that-- meal planning, paying bills and personal care are skills vitally necessary to ready adults with I/DD to survive in their communities and to avoid--

HUGHES: One minute.

M. CAVANAUGH: --being placed-- Thank you. To avoid being placed in costly institutional settings when their family supports are no longer available. Home and community-based services is about giving people the-- the possibility to live a healthy life. We should be trying to give people-- all people in Nebraska, but especially those with intellectual and developmental disabilities, the ability to live a healthy life. And I just really plead with you, colleagues, to join me in this, to stop dismissing this issue and take it seriously, put our money where our values are. Thank you.

HUGHES: Thank you, Senator Cavanaugh. Senator Linehan, you're recognized.

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LINEHAN: Thank you, Mr. President. It's probably not very valuable to get down into the weeds, but there's talk about the effective rate here. So let me go back-- at \$100,000 income for a corporation is when the highest rate kicks in. So it is true on the first \$100,000 for corporation there's less of a rate, I think it's like 5.8, but then at 100, it kicks it to the highest rate. So, and how do we stack up against Kansas which is at 7 percent? Iowa currently is at 9, which is more than us, but they're coming down. They're on a track to take that down and they're going to be soon below us. Missouri it's 4 percent. Colorado is 4.5 percent. So that's not comparing us to-- oh, that's next door. All those states, next door. I know, I do have and it-- understand the consistency here because some of the people who are getting up, Senator Machaela Cavanaugh being one of them, they weren't-- they didn't support LB1107. They didn't support the incentive package last year. I get that. If you weren't for the incentive package last year, I wouldn't be surprised that you're not for corporate parity with income taxes. But the rest of us, the vast majority of us, 44 of us, I think, or 43, all voted for an incentive package that doesn't just lower the rate, it says you don't have to pay it at all. So wouldn't we be better off with lower rates and less incentive package? That's the point here, guys, it's not like we don't-- every time that in-- for 30 years since 1988, we have passed an incentive package because our taxes are too high. So I, I don't like the incentive package. I know that we have to have one. We had to have one in '88, we had to have one when that expired, and now we have to have another one. And then, I do understand that we need money for public services, Medicaid, other things, but you have to have people making money to pay taxes, to have money to take care of people. So if you chase businesses out of state, you're not going to have more money, you're going to have considerably less money. And our public schools, you can't, we-- we have good public schools, great public schools. One of the reasons we do is because we are generous when it comes-- now, I'm not saying we're generous enough in the state. I'm not talking about whether it's state money or property tax money, but we, I think I read something from one of the school groups this week where we have-- we're in the very top tier of what money goes to the classroom in the whole nation. So we're taking care of those things, but you cannot take care of those things if you don't have companies wanting to come to Nebraska and do business in Nebraska. As far as they don't-- they're not here, it doesn't matter if their-- their headquarters are here or not, if they make money in Nebraska, they pay the Nebraska tax-- taxes. If I-- if I own a business in Iowa, I pay taxes to Iowa. I have friends that have businesses here that make money here and they pay Nebraska taxes.

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HUGHES: One minute.

LINEHAN: You pay the taxes where your money is made. We had the same conversation on property taxes about whether people should get money back if they don't live here. Of course they should, because they pay the taxes. We can't-- I mean, we got a problem. I don't know how much clearer we could be about the fact we have a problem with high-tax state and this is such a tiny little thing. I mean, we're talking about \$5 billion in revenues and this bill is \$20 million-- the income tax thing parity is \$20 million. And yet it puts us in a much more competitive position with everyone else, and it reduces our reliance on incentives. So I'm actually surprised that some people who are now not for this voted it out of committee, so this is not a friendly amendment. The committee-- it came out of committee 7-1.

HUGHES: Time, Senator.

LINEHAN: I thought we were all in agreement this is a good idea to move Nebraska forward. Thank you.

HUGHES: Senator Kolterman, you're recognized.

KOLTERMAN: Good afternoon. Good afternoon, colleagues. I was wondering if Senator McDonnell would answer a question or two. I-- first of all, I do support LB432 as well as AM774, and I probably will vote against AM1132, but I have a couple of questions because there's some insurance embedded in this program. I'd like to ask Senator McDonnell some questions.

HUGHES: Senator McDonnell, will you yield?

McDONNELL: Yes.

KOLTERMAN: Thank you, Senator McDonnell. You and I have been talking a little bit off the mike here. LB299 was your bill that's been put into this bill. And as we had talked earlier, I reckon-- I recognize the fact that we had a bill a year or two ago that dealt with some cancer benefits. And then we also have a bill for \$50,000 of life insurance proceeds that Senator Hansen has brought that if-- if a firefighter is killed in the line of duty, how that all plays together. Could you-- could you address that a little bit for me?

McDONNELL: I'm sorry, Senator, can you repeat the question?

KOLTERMAN: The \$50,000 that Senator Hansen has in his bill, it's-- I think it's on Final Reading. Could you address how that plays into

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this as well as what happened a couple of years ago when you brought a bill that dealt with firefighters and cancer and things of that nature?

McDONNELL: Yes, going back to 2019, I introduced a bill that had to do with the the cancer benefits in the state of Nebraska for firefighters, first responders, and at the time when that bill was-- was put into law, that statute, it wasn't contemplated about the number of female firefighters that would be entering the fire service. And so what we did with that bill, and I believe it was LB643, we added ovarian and breast cancer to the prima fascia part of the law. What Senator Hansen's been working on with the death benefit that's on Final Reading with the \$50,000 is separate from what I'm doing. And just to make sure we clarify, talking about LB299 is that this is a 100 percent optional. This is not mandating any department to put these kind of benefits in place. But if they did, we were addressing more through the Revenue Committee, the idea of not taxing them. And that's-- that's what we're focused on today, 100 percent optional on the death benefits, which are-- are detailed. Also, the idea of the benefit package. So, for example, if you're a survivor, you name your spouse and-- and you-- you die of cancer and your community had decided to give you that benefit, again, a 100 percent optional, then we're addressing the taxing of that \$50,000 that went to your-- your spouse.

KOLTERMAN: And having a strong opinion and a strong bias towards helping every volunteer firemen or paid firemen, I agree with a lot of that what you're talking about. But another question for me, though, and just so we-- we understand each other, is this for just paid firemen or is this for volunteer firemen as well as paid firemen?

McDONNELL: No, it's for all-- all firefighters, paid or volunteer. And if you look at a number of your paid departments they have-- they have addressed the need for some kind of cancer benefit. But no, it's for all departments and it's optional for those departments, paid or volunteer.

KOLTERMAN: And would they-- like you indicated to me off the mike that the city of Omaha already provides all these benefits to their firefighters. So, as an example, we have York who has some full-time paid people, as well as some volunteers, would the city of York then have to go out and buy a policy if they opted to do this--

HUGHES: One minute.

KOLTERMAN: --and pay for that policy?

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McDONNELL: No, it's 100 percent optional per community. And again, most of your larger paid departments have addressed it through collective bargaining, but it's 100 percent optional for any paid or volunteer department to offer this. We're again, we're addressing more of if you do take that option, the idea of not taxing that benefit.

KOLTERMAN: But-- but-- but at the same time, wouldn't-- wouldn't that city have to buy a policy and pay that premium in order to get these benefits?

McDONNELL: They could-- they could buy the policy. They could look at splitting it again with that individual in that community. I don't-- I don't-- trying to advocate for that, but let's say they wanted to split it with the volunteer or paid firefighter, they could do that.

KOLTERMAN: OK.

McDONNELL: No, the benefits we have, we have set benefits based on what we thought were good benefits based on that we originally wanted to make sure that every department was looking at a policy where they could possibly go from community to community and get a better--

HUGHES: Time, Senators.

KOLTERMAN: Thank you.

HUGHES: Thank you, Senators Kolterman and McDonnell. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. So there's been a couple of things that's kind of feels like you think about what you're going to say and then people say things and it starts to cycle through, so Senator Flood's got a great example of a success story in Nebraska and how they contribute back to the community. And I think Senator Linehan kind of circled back to that, put a point on that where they only pay taxes-- the corporate tax on the sales in the state of Nebraska is my understanding. So the-- all of the production they-- the great things they do there and reinvest in their community has to do with sales in other states and not necessarily with the tax that they're assessed on the state-- by the state of Nebraska. But the thing-- so, well, a couple of things. One, this bill seeks to decrease the corporate tax rate for the amount over \$100,000 to be on par with the individual tax rate. And so, of course, I pulled up the individual tax rates just to compare notes, and I would point out that the corporate tax rate up to \$100,000 is 5.81 percent if I-- if I read that right. And which means if you're an individual, say, in a household, you're paying more or

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the same after \$58,000 than a corporation is, which-- so I don't know if we're just wanting to-- to merge the top tax rate to be with the individual and make sure that individual Nebraskans are paying more than corporations in that-- that space. That, I think that's a question that deserves to be answered about why individuals should pay more than corporations. But otherwise the conversation kind of went around-- we've had-- we touched on incentives a lot and we've touched on how we need to do this tax cut so we don't have to keep doing these incentives. If we want to have a serious conversation about whether we should do incentives or not and whether we should do incentives and-- or corporate tax cuts, that should be together as one conversation. Because if we adopt-- if we adopt AM774 without Senator Friesen's amendment, we're going to have a corporate tax cut and the same incentives that were just adopted, which means that we will have both of these things layered on top of each other rather than deciding one or the other. And so if we want to have a serious conversation, we want to actually decide which one is the right way to-- to incentivize businesses to come to Nebraska, whether it's targeted incentives or if it's corporate tax cuts, then we should put those two things in the same bill so that we can actually choose it. Right now, our choice is, this corporate tax cut or not this corporate tax cut and live with the incentives as they are. So if we shouldn't have incentives, then we shouldn't have incentives and we should-- we should trade them for the corporate tax cut. But we shouldn't be sitting here saying we have to have a corporate tax cut otherwise we're going to have to keep having incentives, but we still have the incentives. So just to put a point on that, so everybody knows, we have incentives and they will remain in place whether we adopt this bill or not. So if you don't like incentives, this bill is not going to change that. This bill is just going to cut the corporate tax rate or this-- this particular portion of the bill that we're discussing right now will cut the corporate tax rate from 6 percent to 5-- 6 percent, something. I'd have to book again, but down to 5.8 percent, I think. So it's not going to change that problem. So I'm all for that cohesive conversation and that's kind of what Senator Friesen, I think is asking for here, is saying, right now we're-- we've just appropriated much money and everybody, I think, is celebrating the fact that the Governor signed the budget without any type of veto or changes, which is great. That's a great accomplishment. Good job, Senator Stinner and the Appropriations Committee and everybody, and including the changes that we made on the floor, which I think includes Senator Flood's amendment. But if we want to have a more comprehensive tax policy conversation, we should-- it should include not only what tax cuts we are--

HILGERS: One minute.

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J. CAVANAUGH: --we are going to implement, but also what-- what incentives or giveaways we are going to take away because we can't just keep cutting. When you're talking about making us more competitive and being on even foot with other states, a lot of those conversations when you talk about incentives to bring companies to states, that starts to become a conversation about a race to the bottom has been what people have described that as. When everybody was falling over themselves to get Amazon to come to their community, it was all kinds of giveaways that people would have regretted had they actually taken them up on it. So I think this is-- there is a fair conversation to be had, and that is definitely the role for us is to figure out how we can create a climate that is favorable to businesses to-- to create more in businesses to move here. But we need to have that as a whole conversation and not just as a one change in--

HILGERS: Time, Senator

J. CAVANAUGH: --the tax rate. Thank you.

HILGERS: Thank you, Senator Cavanaugh. Senator Lindstrom, you're recognized.

LINDSTROM: Thank you, Mr. President, and good evening, colleagues. I rise in support of LB432 and AM774. I thought I'd get up and speak just a little bit because I do have a bill-- a provision inside of this bill and I'll kind of touch on that a little bit. This bill is made up of several different bills that I'm all-- in support of. The-- the GILTI portion, or LB347, was my portion of the bill and-- and maybe-- I was off the floor for a little bit so maybe it was explained what that means. GILTI has such a negative connotation so what it actually means is global intangible lower taxed income. And this provision was simpler if you call it the repatriation tax under the Trump administration to incentivize corporations that were-- sitting on a couple of trillion dollars overseas and was going to bring those dollars back to the United States at a lower tax rate and as a state-- state of Nebraska, we have not taxed foreign-sourced income over the years. LB347 was a bill to make sure that we continue to not do that. The committee met and discussed whether or not we would go back a couple of years and exempt certain taxes that had already been collected. The fiscal note on that was rather large, and so we felt it was prudent as we move forward to just do the ongoing portion of exempting the GILTI tax as opposed to going back. And that fiscal note was \$11 million moving forward. So that provision is something that we need to take care of. Also, with the corporate parity, you know, we often talk about how we remain competitive with our neighbors and as a state to other-- to the union, to other states around us, but

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regionally and also within the United States, 781-- 7.81 percent is high. I will point out that if we do-- do the parity and bring that down to 6.84 percent, it does lessen the fiscal cost of what we did with ImagiNE-- ImagiNE Act, also Nebraska Advantage Act, because of the offset of the tax liability for corporations. Again, it's not-- when we talk about the individual side or the corporate side, and maybe this has been touched on. If you were to take the corporate tax rate all the way to zero, it's around \$300 million. If we were to do that on the individual side it's much greater. So we're not talking about a huge amount of money when we're talking about just the parity aspect of it. I think Senator Linehan mentioned \$20 million, but it does get us more competitive and I think that's important to know kind of the, the numbers revolving around that. You know, this is one piece of the overall puzzle that we discuss, you know, in the committee, we've brought a lot to the floor for discussion, whether it was earlier today on Social Security, whether it's military retirement, whether it's a parity in the corporate tax rate. We'll have some more discussion on property tax, but they all fit into one-- one puzzle. And just because we're dealing with one piece right here doesn't mean we're not going to look at other and all aspects of the tax code and for reform and reforming those tax code. It takes time. It takes all of us to see the bigger picture. And I think this is just one more piece of that puzzle to get us in a better position that helps us remain competitive. So with that, I appreciate the time, Mr. President, and I'll yield my time back. Thank you.

HILGERS: Thanks, Senator Lindstrom. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good afternoon, colleagues. A lot of times in Nebraska, and I've never been a huge fan of this metaphor, but we talk about the three-legged stool. And I think there's broad consensus, I agree with it, that in terms of the three-legged stool, I don't always know if the metaphor counts the same way, but the property tax leg is too long, and so the stool tips over. But we have to keep in mind the three-legged stool in Nebraska. You know you have a leg that's too long, that also probably means you have a leg that's too short. And I believe in Nebraska, that's our-- some of our tax exemptions, especially in-- in our income tax realm. And I think that backs up in terms of where we rank compared to other states. And by no means do I want to raise income taxes. That's not something I'm going to be advocating for or proposing. But it also means I want to be wary about unneeded cuts, unneeded giveaways, and that's something that I think we should be mindful here. I think that's partially why you've kind of got a wide spectrum of people in

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support of the Friesen amendment. We know fundamentally so many of you have staked your careers, staked your campaigns at minimum on solving the property tax issue. And I don't want to frame this as, you know, people fighting over the same-- same, you know, slice of the pie. But at the end of the day, as long as we are working on solving our property tax credit problem via using sales and income tax dollars through the Property Tax incentive-- sorry, Property Tax Credit Program, I know we're using our sales and income tax dollars through our property tax credit system to eventually build a pool to fix TEEOSA. I see all the moving parts, and I understand this will probably go on before-- go on beyond my tenure. But as long as that's the mindset, as long as that's the goal and the priority of many people on this floor, I do think we have to be very cautious with the sales and tax dollars then. And also, I think we need to raise them, but I think we have to be very mindful of the cuts we do, especially cuts to benefit out-of-state and out-of-country corporations in the sense that, you know, if you give somebody walking down Main Street an income tax cut, part of the reason I like, you know, LB64 from earlier, you know, if you give, you know, your average retiree an income tax cut that's going to get reinvested in Main Street, it's going to get reinvested in local businesses, other things, pay for jobs and go through the cycle. If you give a corporation based elsewhere a tax cut, you don't see that same return. You don't see that same investment. And that's where I honestly do think we are going to have to make some tough choices and we are going to have to pick and choose. Not only are we gonna have to pick and choose between probably some of these property tax proposals and some of these income tax proposals, we're probably going to have to choose between some of these income tax proposals. I know the thought is that we advanced LB64 this morning with the thought of handling it later. And I appreciate that and I understand people that-- of that, and I understand people want to do the same here. But to me, fundamentally, it's not the same here. And the reason for this is that was a single issue in a single bill and all we were worried about was the ultimate fiscal costs up or down on a tax proposal we all knew we wanted to do. Here, this is a Christmas tree bill in which two, maybe three provisions really stand out as problematic for a number of members of the body. Maybe not a majority of the members of the body, but a number of them. And so these are different bills with different issues on them. We have this issue here that we have several provisions that seem to get-- are getting no scrutiny, no debate, seeing consensus, and we have several provisions that are holding up the package. And I understand those are maybe some of the bigger ones, some of the more core issues to the package so they're worthy of the debate and the discussion. But to me, in my mind, that's different--

HILGERS: One minute.

M. HANSEN: Thank you, Mr. President. That is different than advancing a single subject earlier with this goal-- with the goal of trying to scale up and down the fiscal note. It's a long way to say of, I think we need to be incredibly skeptical of some of the provisions in here and I think the body is being fairly skeptical. That is why I do support the Friesen amendment. That is why I do think for the moment it makes sense to advance this bill without all of its provisions because we do know that we are going to have to come back on Select File, probably make some cuts and some merges and some tweaks once we get our new revenue projections later this week. So with that, I realize I'm about out of time. Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. You watch that clock. Many senior senators who I admire have said something to me to the effect of: No matter how deep your disagreements are with people or how frequent your disagreements are with people, you have to find something to agree with every senator on. And I think that's good advice to recognize our shared humanity and building relationships and crafting good policy. And with that said, I want to note that for me, today is one of those days. Senator Groene and I frequently and strongly disagree, but we get along and I think we're friendly and there's common ground today as we look at tax policy through a populist lens. This same type of thread in this common ground popped up last year when we were looking at incentives and now it's back up as we talk about cutting taxes for corporations and the rich. So I say, let's lean into that. Let's lean into that together, colleagues, let's say no more giveaways, no more incentives for those who need it the least. And what we need instead is more targeted tax relief and rebuilding our safety net for the people in Nebraska who are most vulnerable, the working Nebraska families all the way across our entire state. And honestly, if some of these folks would join up with progressives on some of this big ticket tax stuff, it would be very powerful and fun and awesome and impactful and it would also be firmly rooted in our populist roots and our independent roots here in Nebraska. And no one would be able to stop us, including a billionaire Governor. It's about uniting everyday people around common interests, not the interests of the powerful. Senator Flood made a point that I think kind of made my point about how cities in-- about how cities in northeastern Nebraska sometimes have to compete with South Dakota, which has a corporate tax rate of zero. You know why South Dakota has a corporate tax rate of zero? Because they're doing the same thing we're doing. It's a race to

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the bottom. Instead of saying, look at our great policies, look at our great social safety net, look at the great culture we have in our state, we're just saying, look at how cheap it is to live here. And that's not a great parameter to compete on. You don't hear the majority, a ton of young people being super stoked to move to South Dakota or super stoked to move to Nebraska. Sure, once they get there, they love it and it's a beautiful state and there's beautiful things to do and wonderful communities and people, but we give up asking how to make our state the best state, and instead we just keep chipping away at our culture while we keep trying to make it the cheapest state. There are things we can do to tangibly improve Nebraskans' quality of life without costing anything and without giving a tax giveaway to corporations. We cannot keep cutting taxes at the expense of services and programs. At some point, we're going to have to raise revenue. And I think we need to be raising that from the wealthy and the corporations, not from the middle class and the workers of Nebraska while we tell the wealthy and the corporations that if they move here, they'll get a tax cut. Taxes aren't even why companies like ConAgra left Nebraska. It's a self-perpetuating cycle. Companies want young talent. Young talent isn't here, so companies leave. Young people want decent jobs and to be treated with respect at work, but they're not, so they leave Nebraska for other jobs. It's just a cycle that keeps perpetuating itself. The lack of support and--

HILGERS: One minute.

HUNT: --political will to advocate for better workplace policies like paid family leave, equal pay, flexible schedules makes it really hard for workers, particularly those in poverty or those who are single parents, to get ahead. And a lot of the corporations that benefit from tax cuts like these don't do anything to give these benefits to their workers. Instead, there are real, tangible things that we can do to keep workers here. On my next time on the mike, I can go into some of those things and realizing I'm about out of time, I'll yield it back. Thank you.

HILGERS: Thank you, Senator Hunt. Senator John Cavanaugh, you're recognized. This is your third opportunity.

J. CAVANAUGH: Thank you, Mr. Speaker. So Senator Hunt just said something that made me think of a poem. I'm trying to remember how it goes. So it's, It's always a temptation to an armed and agile nation to call upon a neighbor and to say: We invaded you last night, we're quite prepared to fight unless you pay us cash to go away. That's called paying the Dane-geld and the people who ask it explain, that you've only to pay them the Dane-geld and then you'll be rid of the

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Dane. It's 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. That's called paying the Dane-geld and any nation that-- nation has done that will tell you-- let's see. I'm trying to remember how the rest goes, paying Dane-Geld and then it's always-- 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: I 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 that's about is when the Danes, the vikings, used to invade countries and they'd asked for a tribute to leave and they would take the tribute and leave and then, of course, they'd come back after that and say-- the next year and say, well, you paid us tribute last year, so of course you'll pay us again. And Senator Hunt made the point that they keep coming and asking for more and more and more and they're never satisfied. And that reminded me of that poem because we are the ones who are falling for it when we continue to give more incentives and to continue to give more tax cuts and credits and things, and we get less and less in return and eventually we won't have anything left to give and then they will leave because we don't have the real thing that they want, which is what happened with ConAgra. They left to go to Chicago for an environment that was similar to the one that was bulldozed as a result of their previously stated desires. So, I think-- I think we're getting, I don't know-- well, now there's some people in the queue, I thought I was the last one. But we have these conversations and it happens all over the country about corporation taxes and things like that, but the real focus should be on individuals and helping the individuals in our state to be successful and invest in our community because corporate-- corporations are not people, despite that they're-- they're legal status and what a presidential candidate said, and they don't have to be here. They are taxed on the sales they make in Nebraska and so they will-- they-- they will make those sales if they're advantageous to make sales or not, not whether or not our taxes are-- and I correct myself 6.8 percent or 5.8 percent or 7 percent, they will continue to-- to operate in the state of Nebraska if it meets their business model and not whether or not we cut the taxes 1 percent. And another point-- we had at some point stated that \$20 million really isn't that much money. I would just again point out I brought an earned income tax credit bill, which would go to Nebraskans paying income taxes who work and the first year, the fiscal note was \$8 million. The second year, second biennium, I think the fiscal note was about \$20 million. So, and that again was IPPed because it was too expensive. And that was

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money that would have gone directly to individuals in the state of Nebraska to pay for things like food, housing, school, gas and then that money would have been cycled back through the state of Nebraska. As opposed to when we cut corporate tax cut-- tax rates, they could be--

HILGERS: One minute.

J. CAVANAUGH: --easily shifted out of the state of Nebraska to a business in any other state so that they can increase profits for shareholders. So I think if we want to talk about tax policy, let's put this on hold, like Senator Friesen asked. Let's come back next year. Let's have a big conversation that could include things like earned income tax credit that can include changes to our incentive programs so that we can actually figure out and have a conversation on that alone and not all the other stuff that's in this bill, too, about what makes sense and what will make Nebraska a better environment for everyone and not just a couple businesses. Thank you.

HILGERS: Thank you, Senator Cavanaugh, and that was your third opportunity. Senator Blood, you are recognized.

BLOOD: Thank you, Mr. Speaker. Fellow Senators, friends all, I actually had planned on going the rest of the day without coming back up to the mike, but I'm listening to the debate and I keep reading the bill that sits in front of me and I have some concerns. I do stand in support of Senator Friesen's amendment, and I'm still kind of waiting to see what's going to happen with the amendment and the underlying bill. But with that said, I have concerns about Senator Albrecht's portion of the bill. I know it's really uncomfortable for us to stand up and talk on things like this when it pertains to babies. And what the bill does is it basically gives a break to families who have given birth to stillborn children if the gestation has been at least 20 weeks, I believe. So I started thinking about the women that I knew that had had stillborn births, and I knew more than, than not, women who had given birth to severely deformed children with severe disabilities. And unfortunately for the family, the child would languish then for days when they were told originally that the child would probably not live more than 24 hours. And so I don't see anywhere in the bill that addresses these children that have languished for days and ultimately also die when I know those families will have pretty big hospital bills because that child has been hospitalized for several days. And of course, the family, I'm sure, would choose to give it care so they could be with their loved one during that time. And so the question and the problem that I'm having is, how do you balance out that one child has more value than another

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child? Because that's what I'm seeing with the \$2,000 issue when it comes to giving it to these parents. And I certainly hope that if people come back and talk to me about this on the mike, that it's not to be smartalecs or to be rude because this is a really serious topic. I-- I understand that we're talking about a very delicate issue, but the equity that I see in the way the bill is written is not right. How can-- how can we say that when your child is stillborn, that you deserve a \$2,000 tax break? But when your child is severely disabled and still dies within days of birth, that child and their family, they don't deserve a tax break, even though they've likely incurred more bills. I just don't know if this is a bill that's ready for primetime that should have been added on to this Christmas tree bill. With that, I would ask that Senator Friesen yield to a question-- if he's here.

HILGERS: Senator Friesen, would you yield?

FRIESEN: Yes, I would.

BLOOD: Senator Friesen, I noted that you were present and not voting, can you give me your reasoning why?

FRIESEN: Present, not voting on what?

BLOOD: On Senator Albrecht's bill that I was just talking about, her part of the Christmas tree bill?

FRIESEN: Oh, I-- that bill, I just-- I didn't really support it, but I didn't want to vote against it. I don't think that it's something I guess what we should have gotten into as a tax policy.

BLOOD: And why do you feel that way?

FRIESEN: It's just in my philosophy on the overall picture of things is where we go. We've-- again, I'm not into giving a lot of tax credits out there if I don't have to. And these things are very personal, I guess. And just from my standpoint, I-- it wasn't something that I was willing to support.

BLOOD: So, if indeed this were to-- to go forward with that part within the bill, do you believe that if a child-- if a family were to give birth to a severely disabled child--

HILGERS: One minute.

BLOOD: --that would die within two to three days of birth, that they should also get the same tax exemption?

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FRIESEN: I had trouble understanding what you're saying, I'm sorry.

BLOOD: I'm not sure I can do it in 15 seconds. If I have a severely disabled child and that child languishes for two or three days, but also dies, should I not also get a tax exemption?

FRIESEN: I'm not sure, I suppose you do. Once a child is a live birth, I do believe you have one.

BLOOD: All right.

FRIESEN: I think.

BLOOD: Thank you for answering that question.

HILGERS: Thanks, Senator Blood and Senator Friesen. Senator Matt Hansen, you're recognized. This is your third opportunity.

M. HANSEN: Thank you, Mr. President. Wow. Time sure flies fast when you're talking about taxes. All right. I want to continue to just kind of talk about, you know, when we talk about our budget and our spending policy in the state and we talk about it in terms of like what we can do for the state. And as I kind of touched upon it earlier, it's always kind of frustrating for me that we don't have the equivalent opportunity on a kind of a yearly basis to create a unifying document as a Legislature on taxes. I understand why we can't necessarily just have our entire tax code sunset and be reissued every two years and how big of a mess that would be, but still fundamentally, the fact that taxes are always having to be piecemeal and in the era of term limits, you have to understand both the existing and the new and try and filter them out and filter them together. And kind of, you know, I don't have a good metaphor, but, you know, line up all the different what ifs and what haves. And that is fundamentally one of the reasons that I want us to be so cautious about making sweeping changes to corporate tax rates, sweeping changes to the kind of our corporate policy in the state, while we're also struggling so hard to do sweeping policies on property tax. I don't necessarily think we have to do them, one or the other. They're not true rivals, but without some sort of a measure of coordination or measure of understanding of what it's going to look like, they're fundamentally, you know, we've got a finite amount of dollars for the floor for lack of a better term, and we're already looking pretty keen to spend through them, probably spend more than they are, which is going to necessitate some pain and some disruption. And I know the thought there is, oh, let's just get this bill to Select File. Let's just get it there and then we can work it out there. Colleagues, we've

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seen that in the past year is the frustration that that has where-- I don't want to relive and rehash all the tax debates we've had over my tenure, but we've seen it recently where, you know, one bill moves forward. We think another bill is going to move forward, it falls apart, this that and the other thing. And then this frustration of trying to have things move together in sequence when there's actually a provision that maybe people are willing to keep on General File but want to address on Select File. For me, fundamentally, I think if a provision is like that, it's worthy of taking out and then having the proponents have an opportunity to pitch it back in, especially in a Christmas tree bill, especially in a giant package like this. Because I'll tell you straight up right now, there are some of the things that we haven't necessarily debated this time that are going to be white-hot issues for other senators who are going to take some time and talk about on this-- on this bill and I think they should. And so the question is, you know, what pieces do you, you know, do you want to stack the Christmas tree so high it topples over? Or do you want to take off an ornament or two right now to make sure that the other ones get to go forward with the opportunity of adding them back in? Or do you want to weigh it all right now and try and, and try and grab everything and understand that it might all come crashing down because you're-- to keep the Christmas tree metaphor up standing at the top of the-- top of a, you know, step stool on your tippy toes to try and get the ornament on because you've filled up the rest of the tree. Fundamentally, that's an issue here that I think we have to weigh. I don't have a problem with package bills. I don't have a problem with looking at different amendments like this, but when there's clearly a couple of amendments, a couple provisions in a large package that are causing so much trouble and consternation for a number of members, I would just encourage people to be thoughtful and take a moment to put a pause on this. Put a pause on this, especially if you like the other provisions of LB432 because I'm 100 percent not sure what's going to happen if some--

HILGERS: One minute.

M. HANSEN: --of these amendments don't get adopted. I'm not 100 percent sure what happens if they are going to get adopted. But I do think kind of accepting some of these early amendments is a sign of good faith that you are willing to work and willing to move forward probably eases the path for LB432. It certainly doesn't harm the pass for LB432. So with that-- yeah, with that, I will conclude my remarks, and I'm apparently out of time, so maybe see everybody later this evening. Thank you, Mr. President.

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HILGERS: Thank you, Senator Hansen. That was your third opportunity. Senator Moser, you're recognized.

MOSER: Thank you, Mr. Speaker. As my discussions went along with senators on the floor, I talked to two senators-- well, and Senator Flood also mentioned that he has a C corp --that have C corps as agricultural entities. My little retail store is a C corp. So if I make a profit, I pay tax both to the federal government and the state. And then if I have excess earnings built up in my corporation and pay myself a dividend, then I have to pay tax on that also. So I'm kind of double-taxed. Not all corporations are, you know, huge like McDonald's or, you know, the big insurance conglomerates. A lot of the C corps are little guys, you know, and the tax is only paid on the money that's earned in the state. So if they pay a little bit less and they keep a little bit of the profit they made, I don't-- I don't begrudge them that. So I don't support AM1132. I do support AM774 and I do support LB432. Thank you.

HILGERS: Thanks, Senator Moser. Senator Friesen, you are recognized.

FRIESEN: Thank you, Mr. President. So we've got a very divided bunch of conservatives, and we have a question in front of us is what-- what is our priorities? When we started this session, I think we all had a few things that were going to be our priority and what we were going to look for accomplishing in this session. And over and over, we have been told in the past year or so that we are going to address our income tax structure in a comprehensive fashion next year. We've laid the groundwork for that. And now suddenly we're starting to nibble away at comprehensive tax reform and doing it this year piecemeal. So I'm just looking at seeing once, I guess, where everyone's priorities are. Are they property tax relief? Is it corporate tax relief? Is it spending programs, is it SNAP? Where are your priorities and how are you going to make that fit with what we're doing today. At some point, all the bills that have been passed out of committee cannot pass, we don't have enough revenue for that. So we have to start making some choices here and we just as well start doing it sooner, rather than later. And so what we're doing is trying to weed out a few things that have a pretty high fiscal note and that won't impact the state of Nebraska longer term because I don't feel corporations are going to change their habits here. And when we hear about Nucor Steel, again, I feel most of their sales are out of state, so they would not be taxed the Nebraska rate. So we talk about these sales events that happen, so we have to really understand how corporate taxes work. And I think it's really hard to describe on this body and it's complicated and that's why I'm trying to walk through that, but when we talk about

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corporate tax relief, most of the money is going to go to out-of-state corporations. And so are-- is that our priority to give out-of-state corporations a tax cut? And I think at some point in time, we all sat down and we had priorities and we labeled them, we listed them. I know I did. This one did not rise to the top. In the past, I've been a strong supporter of cutting the corporate rate, but I did not understand completely how it worked, even though I do have a C corp. I do not pay the 8.7 percent. I pay a rate that's probably below what we call our personal rate. So any of the companies that are operating here is an LLC or a subchapter S, this does not affect them at all. They do not pay the corporate rate, they pay the personal rate. So the majority of companies in the state are formed as LLCs and subchapter Ses. So again, we're talking about a corporate tax rate for corporations that are probably not headquartered in Nebraska. I know we have a few that are headquartered here, but if their sales are out of state, they don't pay Nebraska sales tax on those sales, or they don't pay Nebraska income tax on the earnings that they make on those sales out of state. Those taxes are taxed in the state the sales are made, where the profits are made. And so when we're doing this corporate tax cut--

HILGERS: One minute.

FRIESEN: --let's think a little bit longer about where are our priorities, who do we feel needs a tax break and how does that impact how we grow the state? And to me, property taxes have always risen to the top. And by giving away revenue in corporate tax rate cuts, we're giving away revenue that could possibly do property tax relief. And I still think for the majority of the citizens, that's what they would still like to see. So again, let's talk about our priorities and where we want to go, who we think needs a tax cut, and let's work it towards that end. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. That was your second opportunity. You have your close remaining. Senator DeBoer, you are recognized.

DeBOER: Thank you, Mr. President. One of the things that I think we're all sort of talking about here is that we have about-- I think from my very back of the envelope calculations, about \$400 million worth of things on the table, and we have originally \$211 million, so we have about half of what the good ideas that have been brought forward this year that we're going to have to pick and choose between. And so, I mean, if you're-- if you're really picking half of those things, that's a lot of things that we're going to have to, to, to pick between to get this number down. I wonder-- I don't see Senator

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Stinner here. Is Senator Wishart-- Senator Wishart, would you yield to a question?

HILGERS: Senator Wishart, would you yield?

WISHART: I think so, yes.

DeBOER: Senator Wishart, as Vice Chair of the Appropriations Committee, I have a question for you.

WISHART: OK.

DeBOER: What happens if we spend too much money?

WISHART: Well, we need to stay within the \$206 million that has been left to the floor because it's our statutory obligation to meet a 3 percent minimum.

DeBOER: So if we pass bills that are bigger than that amount, what happens to those bills?

WISHART: We're not meeting our statutory obligations. So as a body, we need to decide before everything gets to Final Reading and we pass it, what we want to prioritize financially.

DeBOER: And what happens if we don't decide and we pass too many things. Has that ever happened?

WISHART: We break our statutory obligation.

DeBOER: That seems pretty dire. Thank you, Senator Wishart. So we need to figure out this is part of the, as they say, the sausage making, figuring out how to prioritize things. We have a lot of money here. I have to say with respect to this corporate tax, this is not the tax that people talk to me about when they ask me to lower their taxes in my district. So, you know, it's really hard for me to say, well, I'm going to do this corporate tax cut and not give tax cuts to property owners in my district, not give other tax cuts to the people who live in my district, such as maybe giving as much as possible on the Social Security tax. So when we're-- we're picking things, it's not that I don't think this is valid, it's just that it's lower on my list of things that I would like to do. So when I'm thinking about how to prioritize things, this one doesn't make the first cut for me because there are so many other things that people in my district are asking me to, to prioritize. So I will vote in favor of AM1132 and-- and I think AM774, although I can't entirely recall what that one is at this moment, but I'll look at it. All right. Thank you, Mr. President.

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HILGERS: Thank you, Senator DeBoer and Senator Wishart. Seeing no one else in the queue, Senator Friesen, you're welcome to close.

FRIESEN: Thank you, Mr. President. I'd like a call to the house.

HILGERS: 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. Please record, Mr Clerk.

ASSISTANT CLERK: 16 ayes, 4 nays to go under call, Mr. President.

HILGERS: The house is under call. All unexcused senators please return to the Chamber. All unauthorized personnel please leave the floor. The house is under call. Senator Friesen, you can close. Your clock is running.

FRIESEN: Thank you, Mr. President. So again, I hate to repeat myself, but I will. There's more people coming in all the time. Again, let's talk about our priorities for this year. When we came into this session, I know all of you-- majority of you talked about property tax relief. That's what your constituents asked for. That's what they wanted. And now we have to start prioritizing because we've got small amounts of income, or reducing revenues, they're shrinking. We're passing bills out. We're eating into that revenue stream that we thought we had. And at some point in time, we're not going to have enough revenue to fund all the proposals that we've got out there. And I ask you again to prioritize, are we wanting to give a tax cut to a corporation that's headquartered out of the state that is not going to have any impact on their operations here? They are going to come here and they're going to earn-- earn money just like they always are. We've had this rate structure for years. We are going to talk about comprehensive tax reform next year. Let's not be nibbling away at it now. Let's do comprehensive tax reform next year. Let's look at this process. Let's prioritize what we want to accomplish. One of those, and they're numerous-- everyone has their goal of what they want to get done here. I was always working on property tax relief yet and I know there's been a lot of money put in LB1107. I-- my wildest dreams, I couldn't believe where we're at today. I know we've put money on the first year of Property Tax Credit Relief Fund. That wasn't my idea. I-- in the longer term, we have to find a way to equitably fund our schools and without finding the revenue to accomplish that, we're not going to get that done. I've worked on this issue for-- this is my seventh year and we have still not really talked about how we're going to reform K-12 education. We've come close, but we have not been able to get to that magic number where we get something done to where we get schools to support it. And yeah, we're continuing to eat into our

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revenue long term by doing some tax cuts, whether it's Social Security, whether it's sales tax exemptions, whether it's income tax cuts, whether it's corporate rate tax cuts, we are getting into our revenue stream that allows us to do some of the other things, and those are the things that we all should be thinking about what was our priority. When we started the session was our priority to give the corporate rate cut? I don't think really it was on very many people's minds at the time. Now suddenly it's there and it's the forefront, and we've talked more about tax cuts than we have about property tax relief. And so I'm urging you all to just take a pause here and go back to what we thought was our, I guess, our priority when we started the session. And how do we get there? And at some point in time, we have to start looking at every exemption and every sales tax or income tax cut that--

HILGERS: One minute.

FRIESEN: --we made and how does that affect what we're going to do when we get to Final Reading. Whose bill is going to get funded, whose bill is not going to get funded? We have sent too much to the floor. We have to start trimming things out. And so at some point we have to make some choices. And that choice right now is, do we give a corporate tax cut that will never come back? We will never increase corporate taxes. And I know there's talk at the federal level of raising the corporate tax rate. I'm not in favor of raising the corporate tax rate. I think corporations, again, they just pass that cost on to the individual in the products they sell. So I'm not a big fan of the corporate tax rate, but at this point in time, I just don't think we need to change it. We need to prioritize what we're going to be doing and how we go about this and right now, we have just sent a whole bunch of stuff to the floor--

HILGERS: Time, Senator.

FRIESEN: --and we're going to try and pass this. So with that, I ask for your green vote.

HILGERS: That's time, Senator.

FRIESEN: I'd like to do a roll call in reverse order.

HILGERS: A roll call vote in reverse order has been requested. The question for the body is the adoption of AM1132. Mr. Clerk, please call the roll.

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ASSISTANT CLERK: Senator Wishart voting yes. Senator Williams voting no. Senator Wayne voting no. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner voting no. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks voting yes. Senator Pahls. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting no. Senator Linehan voting no. Senator Lindstrom voting no. Senator Lathrop voting yes. Senator Kolterman voting no. Senator Hunt voting yes. Senator Hughes voting yes. Senator Hilkemann voting no. Senator Hilgers voting no. Senator Matt Hansen voting yes. Senator Ben Hansen voting no. Senator Halloran voting no. Senator Groene. Senator Gragert voting no. Senator Geist voting no. Senator Friesen voting yes. Senator Flood voting no. Senator Erdman voting yes. Senator Dorn voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting no. Senator Machaela Cavanaugh not voting. Senator John Cavanaugh voting yes. Senator Briese voting no. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. The vote is 23 ayes, 23 nays, Mr. President.

HILGERS: The amendment is not adopted. Raise the call. Mr. Clerk, for items.

ASSISTANT CLERK: Mr. President, I do. Amendments to be printed to LB595, Senator Linehan, Senator Erdman. That would be two from Senator Erdman. I have a notice of committee hearing from the Government Committee. That's all I have at this time. I have a priority motion. Senator Macheala Cavanaugh would move to recommit LB432 to committee.

HILGERS: Senator Machaela Cavanaugh, you're recognized to open on your motion.

M. CAVANAUGH: Thank you, Mr. Speaker. Good evening, colleagues. As I had previously stated, I don't support this bill or any of the amendments that were pending. And I do have my own amendment to strike a piece of this bill that I am in opposition to as well. I know that Senator Blood already spoke about-- about LB597, and I have a lot of concerns about that bill. I know that it was stated when Senator Blood was talking about the tax incentive for what happens if your baby dies after they're born a couple of days later in the hospital and actually the federal tax code says that you can't claim an exemption for a child unless they have resided in your care for half of the year. So I would welcome standing for correction on that, but I believe that's what the federal tax code says, and the state tax code follows the

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federal guidelines on that. So I do think that this is an important conversation to have. Additionally, \$2,000 would mean a significant amount to somebody who has a medically fragile child. Again, I know I keep harping on it and I'm going to keep doing it. I'm going to keep talking about the developmental disabilities wait list. We have 1,500 children who are medically fragile, who have developmental and intellectual disabilities on that wait list, and we could put resources towards serving those families. I think this bill has at best, a grab bag of things in it with a grab bag of intentions. But I do believe that some of the intentions in this bill and in other revenue bills is to recruit and retain talent and recruit and retain businesses. So if I move to a state where my job relocates or a corporation relocates because the corporation got some great tax incentives, and so they say, you're moving to Nebraska, and I say, OK. And so I move to Nebraska and I have a child with a developmental disability. That child goes on the wait list. And then they sit there for decades. Now, if I have the option to move to Iowa, they don't have a wait list. My child can get access to services right away. So that's the first hurdle for bringing in families. And then we talk about being a pro-life state and how much we value life in this state. But if I find out that my-- I'm pregnant and my child is going to have significant medical needs and I look at this state because I would Google that just like I would property taxes or income taxes or corporate taxes. If I'm pregnant and I know that my child is going to have medical needs, that's going to be what I prioritize when I move. Not any of these other things. None of those things are going to matter to me if my child can't get the resources that they need to thrive. Nebraska is not family-friendly right now. We can be, but we are not. And we hear families come in time and time and time again talking about how they have to weigh getting divorced so that they can qualify for certain services in this state. How is that OK with anyone in this room, that a family would have to separate-- legally separate so that they could qualify for services to take care of their medically fragile child, so that they can qualify for SNAP and so that they can qualify for child care subsidies because they are in desperate need of those things. If we raised the eligibility for those things still keeping it at 100 percent with your deductions, which believe me, you'll get to real quick if you have a child with a disability real quick, you will get there, we would be helping thousands of families. Thousands. But hey, let's talk about property taxes because I know that that's what families with children with developmental and intellectual disabilities care about the most, property taxes. Obviously, they care the most about agricultural taxes as well. They don't care about fully funding education. They don't care about great public education for their child. They don't care

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about having a public school system that welcomes children of all abilities. They care about property taxes, property taxes, property taxes, property taxes. My parents live here in Nebraska, they're-- I won't disclose their age, but they are older than me and do draw down Social Security and I guarantee-- they have grandchildren in Chicago, they have grandchildren in Omaha, they have grandchildren in California. And in Illinois, there is no tax on their Social Security benefits. And my mother is from Illinois, so I'm sure she would be happy to relocate to Illinois. She doesn't re-- not relocate because of the taxes, she relocates because this is her home. This has been her home since she went to Creighton University and met my father. This is her home, and this is where several of her-- for most people, it would be all their children. She has four children that live in Nebraska, so this is her home, and this is where a significant number of her grandchildren are, and she's not moving away because her Social Security is taxed. Would she like her Social Security to not be taxed? Of course. Would I like her Social Security to not be taxed? Of course. Do you know what she would like? What my mother, if she were standing here right now today would say to you, I want public education fully funded. I chose to send my children to private, parochial school because that was the choice that I wanted to make and I paid for it. But I want public education fully funded, and I want children with different abilities to have access to high-quality public education. That's what my Catholic mother of eight children would say to you all today. She wouldn't say cut my tax for my Social Security benefits, even though it would help me. I am on a fixed income. I am an older, delightfully older. I do not want to say that my mother is too old because she's wonderful. But yeah, that's-- I mean, it's just disingenuous. The arguments that we keep having on here are disingenuous. People care about public education. People care about high-quality health care. People care about taking care of the most vulnerable populations and people care about giving people food, which is a basic human right. I'm tired of these disingenuous conversations around what our tax dollars should be used for or shouldn't be used for. The property tax, income tax bucket, whatever it is, this is-- I said bucket with a B. Just to be clear, sorry, I realized. Bucket, thank you. That bucket, it doesn't help people. It doesn't help people. I will get my \$103 when I file my amendment to my income taxes to get my property taxes. And I would much, much rather give that money back to the schools and I probably will give that money back to the schools on my own, not for a dollar-dollar incentive, not to make a profit off of it, but because I love public schools and I love that my public schools serve children of all abilities. All children are welcome at our public schools and that is

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something that we should treasure and we should fight for and we should protect with everything that we have. How much time do I have?

HILGERS: 1:24.

M. CAVANAUGH: 1:20?

HILGERS: 1:24.

M. CAVANAUGH: Thank you. So I said this earlier, I thanked Chairman Stinner of the Appropriations Committee, and I'd like to thank the entire Appropriations Committee. I know the Governor signed the budget and did not veto anything and there were additional resources put towards the DD waitlist.

HILGERS: One minute.

M. CAVANAUGH: Thank you. And I very much appreciate that. And I know that the families in Nebraska that are going to be served by that very much appreciate it. But it's just the start. It's a-- it is a start and any start is a good start, but it is just a start. It is not the middle. It is not the finish. And as long as I am here, I'm going to be talking about it. So if you want to get me off the mike, I'd say fully fund the developmental disabilities waiver and I'll go home. I think I'm just about done, so I will just get in the queue and yield the remainder of my time.

HILGERS: Thank you, Senator Cavanaugh. Debate is now open on the motion to recommit. Senator Blood, you're recognized.

BLOOD: Thank you, Mr.-- Thank you, Mr. Speaker. Fellow senators, friends all, I'm not sure that I support the recommit to committee for the entire bill, but I do support the comments made by Senator Cavanaugh. I just know that it's a really uncomfortable topic-- topic for many of us to speak on. But nonetheless, we have to speak on what LB597 really does, which is part of this Christmas tree bill. So the stillborn tax credit, LB597, is a refundable tax credit of \$2,000. And I want this to be put into perspective because I know a lot of you are going to vote for it only because you're uncomfortable with it and you aren't really looking at what it really does. So the tax benefit of having a child is fairly dependent on your income. So for purposes of the child development care credit, these examples I'm going to give you assume that the child is under 13 years of age and that the family spent at least \$3,000 on eligible childcare expenses, which is the maximum expenditure allowed to use in the credit calculation, by the way. So a family at the median Nebraska household income of \$62,000

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and one child, they have a personal exemption of \$142, child dependent care credit of \$150. The EITC increase is due to-- due to child. That's not available to somebody at that income level. So their total annual tax benefit would be \$292; \$292 for a child that's alive, that that family is taking care of, versus a \$2,000 refundable tax credit for a stillborn infant. For a family with a household income, \$32,000 and one child, personal exemption is \$142, child dependent care credit is \$195. The EITC increase due to a child is a hun-- excuse me, \$250. The total annual tax benefit is \$587. Again \$32,000 for that family, one child, their annual tax benefit is \$587. We're talking about a refundable tax credit of \$2,000. Now, I wasn't in on the hearing, but I'm guessing that part of that is because we assume that there will be hospital bills. As Senator Cavanaugh pointed out, and to be really frank, the vast majority of women I know that have had pregnancies where the child died have been pregnancies where that child was severely disabled and the child languished for several days. So that means that they did have hospital bills because I don't know any hospital that says, I'm sorry that you lost your child, but you still have to pay-- you don't have to pay your hospital bill. They're-- they're going to come after you for that money, no matter how sad you are or how tragic it is. So I don't-- I don't understand why we're doing this unless we're trying to make a statement about the 20-week gestation period, because I've seen that happen a lot with legislation over and over again in this body. And I'm not saying that there's necessarily anything wrong with it. I'm just thinking out loud, what is the purpose behind this? Is it to say we're sorry you lost your child, let us compensate you several thousand dollars for that loss? And isn't the child worth more than this amount, if that's what we're trying to do? I-- I find it puzzling. I find it an odd way to give somebody a tax break based on the death of their child. And I'd be curious, do we get tax breaks when we lose loved ones otherwise? And that's actually a legitimate question, because that's not something that I've had to deal with. So if my husband dies tomorrow, do I get a tax break because he died or only if we were married during the tax year for more than-- for the 12 months? If he dies in the first two months,--

HILGERS: One minute.

BLOOD: --do I get it? I don't know. Those are all things now that I'm really curious about. But I have grave concerns about the reasoning behind this, and I hope that the responses aren't people trying to shame us into asking-- about asking questions because this is uncomfortable to talk about in general. And I really just don't have a

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clear understanding of why we are giving these children more value pricewise than those that languish and die. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Blood. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. OK, so I'm going to share some more about-- of the stories of those with developmental disabilities. So this-- I have a little note here that says two perspectives from same family, one with services and the other talks about losing services, which I should-- well, there's a lot of history here, just in-- in just in my short time in the Legislature, there's already a lot of history with disability and waivers. We had a really heartbreaking situation come up. I think it was like two or three months into my freshman year where rules were promulgated and we were kicking kids off of the aged and disabled waiver because of some rules that we promulgated, that the department promulgated that changed the requirements for the aged and disabled waiver. And we started hearing from families like immediately because they were just kicking off so many families because the threshold was that they had a higher threshold for qualifying for the aged and disabled waiver if you were under 18 than if you were an adult. And the thinking behind this, and to a degree I get where the-- the logic began, is that when you're a child, you're still developing. And so you might not meet all of the benchmarks that you need to meet if you're disabled, but you might not need that level of care because you're still a child and you're still developing. But what it resulted in is that if you didn't meet so many things with care or need of care that you were kicked off the waiver. So it was acceptable if a child couldn't toilet themselves, even if that child was 14, and it was acceptable if a child couldn't feed themselves. And so now you've got a child who can't toilet or feed themselves, but they needed a third thing to qualify. And so we had some fancy footwork. The department did a great job of working with the families and with the Health and Human Services Committee, and we were able to move the families that were kicked off of the A&D waiver for the most part, we were able to move them onto the DD waiver. And they didn't have to go onto the waitlist. And the reason they didn't have to go onto the waitlist is because we had this pool of money for the A&D waiver, the aged and disabled waiver, that followed them to the DD wait-- the DD waiver. So it-- it worked out OK. And to some degree, it was thought that the DD waiver was a more appropriate waiver for them to be on provided the services that were more appropriate for those children. But it was a scary few months for a lot of these families and very unsettling. And so I'm going to just share a story here. This is Julie Cohen [PHONETIC] of Lincoln,

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Nebraska. Thank you for the opportunity to speak today. My name is Julie Cohen. Like many of us, I was born in Nebraska, was raised in Nebraska, have chosen to raise my own family in Nebraska. I'm a mother of a medically complex child and also a healthcare professional here in Lincoln. When Simon and I decided to have kids, we had no idea what kind of roller coaster we were in for. We had a set of boy-- of boy-girl twins five weeks premature. Gavin [PHONETIC] spent the first two weeks of his life in intensive care unit, recovering from nearly starving to death in utero due to pregnancy complications. Once we got home, Gavin did-- Gavin did OK with growth and development until just before he turned one.

HUGHES: One minute.

M. CAVANAUGH: Thank you. He began vomiting during each feeding and couldn't keep anything down. He lost weight, and no one could tell us why. We went to countless specialist appointments and couldn't get a firm diagnosis or treatment for what was happening. When Gavin was 15 months old, he was hospitalized with a virus that would cause a cold in a typical child. Due to his mal-- malnutrition and compromised immune system, we nearly lost him while in intensive care unit at Children's Hospital, his second brush with death. I believe you said one minute and so I will pause on this so that I can get back in the queue and finish Gavin's story. How much time do I have left?

HUGHES: 17 seconds.

M. CAVANAUGH: So I just want to let the body know that I am going to take this until 8:15. If other people want to speak, I encourage them to speak. And then I'm going to let the Revenue Committee work with everybody to see if there's something that they can do between now and the next four hours.

HUGHES: Time, Senator.

M. CAVANAUGH: Thank you.

HUGHES: Thank you, Senator Cavanaugh. Senator Albrecht, you're recognized.

ALBRECHT: Thank you, President. I'd just like to open with my bill for the questions there on the floor. I think it's pertinent to walk you through what we went through in the committee hearing. I've introduced LB597 to support grieving mothers, fathers, and families who lose a child to stillbirth. Families with live births qualify for various tax benefits. LB597 would ease some of the burden that falls on families

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who also incur costs for getting ready for a baby, but tragically never getting to bring that baby home. The bill would allow a refundable tax credit for the parent of a stillborn in the amount of \$2,000 for taxable years beginning in 2022. The credit can be claimed for the taxable year in which the stillbirth occurred if the child advanced to at least the 12th-- 20th week of gestation and would have been dependent on the individual claiming the credit. While there is nothing that we can do to take away the loss of these families that they've experienced, but we can acknowledge the special dignity and the humanity of the child and provide some financial relief to grieving families in need. At least five states have enacted similar legislation to support families who experienced stillbirth, including Minnesota, North Dakota, Missouri, Arizona and Michigan. Parents incur real expenses as a result of stillbirth, and the cost of hospital care associated with stillbirths is substantial. According to a 2013 study published by the National Center for Biotechnology Information, the average hospital costs for women with stillbirth delivery are more than \$750 higher than a woman with a live birth. In addition to medical and hospital stays, families have added expenses such as paying for a funeral, burial, grief counseling and loss of income for time taken off work. This bill is much-- has a much deeper meaning than money. The state vital statistic records show that there are 120 to 150 stillbirths annually in Nebraska. We can't mend the hearts of these families, but by advancing LB597, we can support families at a time of immense grief and provide recognition to their children. I do ask for support of LB597, and I hope that we will get this finished yet tonight. Thank you.

HUGHES: Thank you, Senator Albrecht. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. This is the conversation I was kind of hoping we weren't going to have. I was sort of hoping that we wouldn't end up going here and I wasn't going to speak on it. I wanted to avoid it. But enough things have been said around Senator Albrecht's LB597 that there are some remarks I would like to make about how I think legally, rhetorically, and ethically we need to frame what this bill actually does and politically as well. LB597, which is Senator Albrecht's bill to give a tax credit to people who experience a stillbirth, which is amended as part of the committee amendment to LB432, is about personhood. It is literally about explicitly creating a legal right of a fetus as a person. It's about creating a legal precedence in Nebraska for personhood. If it was about caring for the woman, if it was about caring for the mother, caring for the patient, we would just pass paid leave and universal healthcare and SNAP benefits and childcare subsidies, let alone putting off implementing

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Medicaid for two years, which low-income women depend on. And if we cared about helping parents with their immense grief at losing a child, losing a pregnancy, then we would extend this credit to parents who lost children after birth as well in the first year of life, for the first six months of life, for example. But I don't like to make that point. That is not the argument that should be made. The idea that we need to make this fair by giving it to all people who lose a child is-- is a good argument. It makes logical sense. But I want to avoid working to improve a bill in good faith when the bill is not introduced in good faith, when the purpose of the bill, in my opinion, is coming from a place of bad faith. If this bill was in good faith, then we would also be working just as hard to support pregnant women, mothers who-- who lose children, mothers who have children that deal with developmental disabilities at huge expenses. Once they have those children, many in this body, including the introducer of this bill, turn their back on those women and they say, well, you just need to work harder. You need to get job training. You need to make better choices. You shouldn't have gotten divorced. You shouldn't have committed a crime when you were 18, on and on and on to no end of how we're blaming these women for the things that happened to them in their life. So I want to avoid making that kind of argument that, well, if we give them the tax credit for the stillbirth, then we have to give it to them for the-- after the birth as well because the bill is not in bad faith. It's not about anything other than personhood and creating a legal precedent for personhood, which you all know is not an argument that's going to go well in future years. You can never put a dollar amount on the loss of a pregnancy. For a family that loses a pregnancy that was wanted that was anticipated that we were excited about, it's devastating. I understand that. I understand that well. And I respect and sympathize with the many emotional and personal dimensions of this issue. But every effort must be made legally, and we're not dealing in the realm of emotions and feelings here, we are dealing in the realm of legality as lawmakers.

HUGHES: One minute.

HUNT: Every effort must be made legally to ensure that fetal protection statuses do not pave the way for government actions that threaten a woman's right to reproductive choice. So I oppose any kind of legislation that creates or enforces the idea of fetal rights. Permitting legal actions on behalf of stillborn fetuses or enacting laws to-- to protect fetuses opens a Pandora's box in terms of how the law treats pregnancy and childbirth. And however great our compassion is for the bereaved, we must examine this legislation with a critical eye because of the precedent it sets legally. If this poses a real

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threat to reproductive rights, as it does, and as bills like this around personhood often do, then we must oppose them as a matter of legal precedent. Thank you, Mr. President.

HUGHES: Thank you, Senator Hunt. Senator Cavanaugh, you're recognized and this is your third opportunity.

M. CAVANAUGH: Do I have a closing after this?

HUGHES: Yes.

M. CAVANAUGH: OK, thank you. OK. So I was telling you about Gavin. OK. It was while we were in the hospital that we were informed that Gav-- that Gavin's condition, both congenital and acquired, could allow him eligibility for medical and therapy assistance. We signed up in the hope of family-- of finally getting answers and treatments for his various conditions. Having medically-- having Medicaid and the aged and disabled waiver as a working class family meant that we now had access to a community of expert caseworkers, specialists, therapists, and genetic counselors. It has been nothing short of a life-changing situation for us. At this point, around one and a half years of age, Gavin was below the lowest percentile on the growth charts, not even on the charts, had a congenital delay-- cognitive delay, was not talking, and was not making progress towards walking. The vomiting had worsened and we still had no answers. So a permanent feeding tube was surgically placed. This meant that we could focus on therapies for Gavin's conditions while not having to worry about that he would starve himself to death. Having the waiver and resources available have allowed his malnourished body to grow sufficiently, that he will be-- to grow sufficiently, that he is walking, talking, and his kidneys are now fully functioning. Gavin's intellectual delay is no longer an issue, and he's now at or-- at or above the appropriate educational abilities for his age. That's a story about the system working. That's a story about a family that had a child that was going to die multiple times without the right interventions, and they weren't getting access to those interventions until-- until they got the waiver. This story gives me chills. I've met Gavin's mom. This story gives me chills. A child that almost died from starvation because of medical issues now is walking, talking, fully functioning, no longer has intellectual delays, is obsessed with physics, entomology, paleontology and tells his mom on a daily basis new and disgusting factoids about bugs. Now, every child that gets on a waiver is not going to have the great outcomes that Gavin is going to have-- is having. But every child that gets on a waiver has more of an opportunity than they have without it. And that's our-- our job. That's our responsibility as a Legislature is to give these children

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the opportunity to thrive to the best of their abilities, the opportunity to live the fullest life that they are able to live with the supports of their government and their community and their family. That's our job. I take great pride in that job. I take it very seriously. I really-- I have another story here, but I don't think I have the-- I think I-- actually I was going to say I don't have the heart. I will correct myself. I think I have too much heart to read more stories. I don't think that my heart can handle these stories.

HUGHES: One minute.

M. CAVANAUGH: Thank you. I don't know how to get this body to engage in this issue, but I am going to keep trying. I'm going to try every idea that I can possibly come up with to get this body to care as much as I care about these children and adults. We have 20-some days left, 23 days left, and I am dedicated to spending those 23 days talking about the families in Nebraska that are trying to take care of their family members, make sure that their family members are well cared for, and also hopefully we can give those family members some relief as well. Thank you.

HUGHES: Thank you, Senator Cavanaugh. Senator Pansing Brooks, you are recognized.

PANSING BROOKS: Thank you, Mr. President. I was hoping to ask Senator Albrecht some questions.

HUGHES: Senator Albrecht, will you yield?

ALBRECHT: Yes.

PANSING BROOKS: Thank you, Senator Albrecht. Could you tell me how you came up with the 20th week in your-- in your bill, gestation in a stillborn of 20 weeks?

ALBRECHT: Yes, because that's when the state of Nebraska recognizes the-- that they would get a birth certificate after 20 weeks.

PANSING BROOKS: OK. Was that from your bill previously last year?

ALBRECHT: Yes.

PANSING BROOKS: OK. So-- but that does not-- that is not the-- the age of viability, gestational viability, correct?

ALBRECHT: That I couldn't answer. I'd have to get back to you.

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PANSING BROOKS: I think that the age of gestational viability is like 28 weeks is my understanding. So-- and did you think about creating it for all kids zero to 18? Because of course, anybody, those-- those things that you listed off, those costs that a parent would have,--

ALBRECHT: Uh-huh.

PANSING BROOKS: --those same costs would be incurred by somebody who had a one-year-old who didn't thrive. Actually, it'd be way more cost and didn't make it. So what about that?

ALBRECHT: It's just a bill that if it's between the 20 weeks and full term, if the baby does not make it, then this would be a credit for them. If you wanted to add more to it, you would have to bring a different bill.

PANSING BROOKS: OK. I guess I just-- I don't understand why just that and why not the gestational viability-- age of gestational viability. OK, thank you for answering that. I guess I'm interested if-- if people think that that is the age that we need to do and not other ages. Would Senator Wishart answer a question?

HUGHES: Senator Wishart, will you yield?

WISHART: Yes.

PANSING BROOKS: Thank you, Senator Wishart. So I guess I'm surprised and I wondered how you feel about the fact that it just-- it just deals with stillborn and not necessarily somebody who's struggled two days after birth and doesn't live, you know, isn't thriving and ends up dying. Why that date? What do you think about that?

WISHART: Well, I think you make a good point. But I do-- when I read this bill, what I saw it as was an attempt to provide some form of prioritization in terms of relief for somebody who has had a miscarriage in terms of a stillbirth and their family is grieving from that.

PANSING BROOKS: I understand that. So what about-- I believe that around 28 weeks is the age of gestational viability. Why wouldn't we choose that date rather than spending money? I mean, yes, people have gone through something serious. I had something like that. But the changes in the body from 20 weeks to 28 weeks are significant. And actually, I had to be in bed for-- at 28 weeks for the next 12 weeks because our firstborn was trying to come early. And so I just-- I'm not sure why we're choosing to 20 weeks. Why not-- I mean, it seems

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like an arbitrary number since we don't even have gestational viability at 20 weeks.

WISHART: You would have to ask the introducer on that. I don't--

PANSING BROOKS: OK.

WISHART: --I don't know what her motivations are in particular for choosing that.

PANSING BROOKS: Thank you for answering those questions, Senator Wishart.

HUGHES: One minute.

PANSING BROOKS: Thank you, Mr. President. Senator Blood, would she answer some questions?

HUGHES: Senator Blood, will you yield?

BLOOD: Yes, I'd be happy to.

PANSING BROOKS: Senator Blood, I was just wondering if you have any understanding of why we're choosing 20 weeks rather than 28, which is, I believe, gestational viability medically.

BLOOD: Yeah, I know medically, I mean, now it could be as young as 22, 23 weeks, but I found 20 puzzling as well. I mean, I can't speak on behalf of Senator Albrecht, but I just-- I find the whole thing puzzling about how we give greater value to a child that's stillborn at 20 weeks over a child that maybe was born early and then severely deformed and died two or three days later.

PANSING BROOKS: Right.

BLOOD: And also why we're giving four times basically a tax break than we would if that child had lived when those parents are feeding and clothing and housing those children. And I know that--

HUGHES: Time, Senators.

PANSING BROOKS: Thank you.

HUGHES: Thank you, Senators Pansing Brooks, Albrecht, Wishart, and Blood. Senator Geist, you're recognized.

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GEIST: OK. I really didn't want to speak to this, but there's so much misinformation going on here it's important. The reason that 20 weeks is chosen is because that's when a birth is legally considered a stillbirth. That's when a death certificate can be issued. It's also this bill is just about respect. It's just giving a grieving family the same tax credit that you give a living child. If a child is born and lives only a few days, you can take an exemption for a child who dies in the year that the death occurred. It's also true for infants, even if the child lived just a few brief moments. The deceased child must meet the usual legal requirements to be claimed as a dependent on your income tax return, but it's claimed the year that the child dies. And I get-- most of you know I'm speaking from experience. This happened to my family last year. However, my daughter happened to lose a child at 19 weeks, not 20. However, she and her midwife found out about legislation like this. She received so much care from some of the legislation that we've had in the past. This is not a pro-life, pro-choice issue, ladies. This is just a respect and care for a grieving family issue. It's putting parity. It's recognizing you had a stillbirth. So for this year only, you get a tax credit for the same amount as your tax credit for your living children should you have those. It's the same tax credit if your child languishes for a couple of days after birth and then dies. That's according to Finance.Zacks.com. So it's not a-- this is not a big gotcha thing. It's not trying to-- it's just showing respect to a grieving family. And it's very therapeutic for families that go home without a child and medical expenses, because those were incurred by my daughter's family. And it's so difficult. This is the state showing respect and honor. It's a good thing. Thank you, Mr. President.

HUGHES: Thank you, Senator Geist. Senator Matt Hansen, you're recognized.

M. HANSEN: Good evening, everyone. I'm going to rise and I'm going to shift from the-- not speak to the provision that the last few speakers have focused on. I want to talk broadly about the bill and where we stand. As I called this earlier, I know as I called this earlier, it's a Christmas tree, a package, whatever you want to frame it as. And part of the reason it's called a Christmas tree is not a good reason. It's the metaphor that I keep using that you put one too many ornaments on the Christmas tree and it falls over. That is at least my understanding of that reference and that metaphor. You hang things on it and there's the risk of toppling it over. And I do genuinely think we're close to that point here where, I mean, 23 people to vote to pull something out with some, maybe some votes up or down from there, but still a good solid proportion opposed to just one provision.

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Obviously you've heard Senator Cavanaugh and others speak their opposition to another provision, and there's a third provision, the GILTI provision, which I personally oppose as well and know a number of other senators do. And in fact, you know, Senator Linehan has talked about bringing up on Select. So we have three pretty unpopular things all put together, and maybe any individual one can pass, or maybe two of them can pass. But I think we're kind of approaching the point where because they're all bundled together, I do genuinely think this bill doesn't have a path forward with all three of those things. That's not a threat. That's just kind of an assessment of the situation. I just don't think LB432 has a path forward. Talking with a number of people, there's people who didn't support us on that amendment, last amendment to pull out the corporate tax who, not because they like the corporate tax, but just because they weren't getting involved, might not vote for the bill. There are a lot of moving parts to this, and I know we've been working to kind of get some sense of where the body lays. And that was why initially I was interested in having a vote on both the corporate tax provision and the GILTI provision tonight to kind of, at a minimum, get us a lay of the land of where we are at and what could go forward and what could not go forward. I think we're struggling in a point where because of procedural motions, because of others who are involved and invested in other things going on, we might not get there. So this might be-- have to be something we do ad hoc or discuss or negotiate. But I do personally think that as it stands, I am not optimistic about LB432's chances. I don't mean to disparage the work of anybody. I don't mean to dismiss any of these issues outright. That's just the problem with Christmas trees occasionally. They topple over. So I think we're going to get to a point where we have to decide, you know, are all of these provisions so important to a core group of us that we're going to have them all stand together and fall together? Or is there one or two or three that we can choose to leave and jettison from this bill and let the other provisions pass? There are a number of provisions in this bill that I know people like that we haven't even talked about. I don't think anybody, maybe more than one speech has mentioned the fact that there's a good thing with 529 NEST accounts. I like that piece. I-- I would have supported that as its own bill. I have no problem with it being in this bill, but it's not a good enough piece to get me to vote for problematic tax provisions around it. Same on and on and on with the different other elements of this bill. So fundamentally, that's something I think we're going to have to look at. I know, I know there's been a lot of work and a lot of effort to kind of merge some of these things together. But again, as I've said before, it's the difficulty with a Christmas tree.

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HUGHES: One minute.

M. HANSEN: And there's a difficulty with the things being tied together solely because they're on income tax. You know, I understand that's-- that's the focus of the income tax. I understand that's why we opposed the, or sorry, Senator Linehan, opposed the germaneness of a couple of things earlier that dealt with other taxes to focus on income tax. But these three items, you know, I know we have the provision that a Chris--, sorry, that a committee amendment is inherently germane. But I think this had we just started assembling these things on the floor, we would start looking at each other and go, why do these things go together? Why, why should I let this bill, attach this bill and weigh this bill down? I think it's something we're going to have to keep examining on this bill as we look forward to it. Thank you, Mr. President.

HUGHES: Thank you, Senator Hansen. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: I'm going to give my time to Senator Cavanaugh.

HUGHES: Senator Machaela Cavanaugh, 4:45.

M. CAVANAUGH: Oh, we just-- we just assumed which Cavanaugh she was talking about. It could have been Matt Cavanaugh for all we knew. I think he's in Omaha right now, so hopefully he's watching. Thank you, Senator Pansing Brooks. I think we're kind of coming up to the end of the queue on-- on this recommit to committee. And I'm trying to talk through some things with Senator Linehan about whether or not we should just move this to Select and she can work with the interesting-- interested parties between now and Select. And it's very unclear to me. I-- I am opposed to the bill. I won't be voting for it, probably in any rendition. And so-- but I also value that if I'm the only person that feels that way, I don't want to stand in the way of other people working through this. I feel very passionately about the things that I feel passionately about, which is people with developmental disabilities. And if a deal can be struck between General and Select, then more power to you. And if it can't, then I guess it can be filibustered and-- and see if there's a cloture vote on Select. I don't know. But I'm just-- I'm just unclear because there were a lot of people that were very invested in-- in this. When we had Senator Friesen's amendment on there, that amendment wasn't adopted, and I don't know where the 23 people went that supported that amendment. But maybe they're OK with the bill, even if the amendment isn't adopted. So, thank you. I'll yield the remainder of my time to the Chair.

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HUGHES: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. Colleagues, Nebraskans, I don't like this bill. I'm not leading the opposition on this bill. I'm not trying to filibuster the bill. That's not my fight right now. But I want to say a few more things on the record about the portion of AM774 that contains Senator Albrecht's LB597, which sets a legal precedent for fetal personhood by giving a tax credit for stillborn births. In my view, bills like this are an attempt to give some legal recognition to the unborn in our tax law, which could then be used as a reason to give legal recognition to the unborn in other contexts, such as in criminal law or in health law. Colleagues, grief and bereavement is very serious, and I have complete sympathy for that. You never know what somebody has gone through, including me and including proponents like me of reproductive rights and reproductive justice. But we have to talk about the legal precedent that this is setting, not just our feelings and emotions about it. So bills like this are a not-so-subtle attempt to establish personhood for a fetus at 20 weeks gestation. And what comes after that? Then the snowball keeps rolling so that abortion can be banned or punished any time after that once we establish personhood. This 20-week demarcation, colleagues, is not based in medicine. It's not based on the consensus of the healthcare community. It's based in an antiabortion political agenda. Even if the introducer wasn't motivated by the idea of establishing legal personhood, which is unbelievable to me to conceive of, we all know that proponents of that provision would be delighted if that were the outcome. We know that proponents of this provision would be delighted if this did anything to establish legal personhood in Nebraska, which we do not have here currently. It's about chipping away at the relationship between doctors and patients and the rights of women and their families to make decisions that are best for them. When you boil it down, that's what this is about. And of course, Nebraskans, we put a bill like this inside a bill for corporate tax breaks. Of course, that's-- that's the form that it comes out. Certainly, 20 weeks of pregnancy involves significant costs. Certainly, stillbirth is very traumatic to the families it affects. But I am concerned that this is less motivated by an interest in helping families with those costs and more motivated as part of an overall effort to add legislative support to the idea that fetuses and embryos and blastocysts and zygotes are morally equivalent to a fully developed human being. If this was about supporting families with the costs of tragedy around the cost of childbirth and fetal anomalies and medical emergencies that can happen during childbirth, which is one of the most dangerous things a woman can go through, then we would be doing more to support healthcare for mothers, benefits for single parents and parents in poverty who are

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less likely to have access to healthcare benefits, food assistance. But all of the proponents of this type of thing are the same ones slapping their hand and standing up to be the first ones to oppose SNAP, to be the first ones to support delaying the expansion of Medicaid for over two years, to be the first ones to oppose childcare tax credits or any childcare assistance at all, or funding for programs in our schools that help teen mothers. Again, it's always the fault of the woman, and this is not about--

HUGHES: One minute.

HUNT: --at the end of the day, helping women and helping families who are going through something hard. It's about creating the legal precedence of personhood. It was very important for me to get that on the record because this is kind of being, you know, passed under our noses, honestly. This type of bill to establish personhood has been put inside a revenue package that deals with corporate tax breaks and things like this. And for the antiabortion right, this is a win. This is going to be a victory for them. A pregnant woman and her fetus should never be regarded as separate independent entities. But that's exactly what legislation like this does. It's the kind of bill that can lead to criminalization of if a woman accidentally miscarries. We've already seen in many other states that women who--

HUGHES: Time, Senator.

HUNT: Thank you, Mr.--

HUGHES: Thank you, Senator Hunt. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. Well, I wanted to continue the conversation we've been having that Senator Friesen kind of was leading the way on about our, I guess, priorities and he said something that really struck me when he spoke in his closing, which was did anybody here come here and think their number one priority this year was going to be corporate tax cuts? And I don't-- that was certainly not my priority when I came here, and I don't know if that was anybody's. And so that's where we're at, when we're talking about this bill overall, without Senator Friesen's amendment and the other amendment that Senator Hansen, I believe, has brought. And we've had a lot of people talk about a lot of things that we could do instead of cut taxes for corporations. And I think that's really what you need to think about everything here, well, when you talk about money is-- money is fungible. It means it can be transferred from one thing to another in exchange for the other. But there's a finite amount of

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money and that comes from both sides of the ledger when we're talking about revenue and expenditures. And some people are talking about spending priorities, and some people are talking about taxing priorities. And I actually-- I saw, looked up Senator Moser was talking about C corps and how they're affected by this. And I, let's see. I'm trying to pull it up here. In terms of number of C corps in the state of Nebraska that pay the marginal rate above \$100,000 is 8.25 percent of C corps, meaning 1,624 C corps are affected by the change in the section that Senator Friesen is talking about, whereas 19,685 of them are below that rate, which-- so we're-- we've got a bill here, a section of this bill that will fundamentally take money off the table for the rest of us, for whatever priorities that people want to spend it on, which, I mean, I've articulated a couple of things I'd like to spend it on. I think a lot of other people have talked about places they'd like to see us invest in our communities in the state of Nebraska. A lot of people would like to see it go to property tax relief, and I actually think that that would be a better use than this corporate tax cut. And I think when we're talking about where this money's going to come from going forward in the future, we need to think of it that way. Anytime you want to put more money into property tax relief, it's gone. It's gone because of this decision we're making today. So we need to take it seriously. And which is why it's probably important to take this in a more isolated conversation than in the kind of conglomeration conversation we're having today right now where this conversation is ranging from at one point, we're talking about firefighter insurance, which I support Senator McDonnell's bill. We haven't talked about Senator McDonnell's section that was 529 for apprenticeship, which also I support. But we're talking about whether an amendment's a personhood amendment, and honestly, I don't have the vocabulary, I guess. I'm not schooled in that subject matter enough to get up here and talk about that. But it is conflated with this issue of what we want to do and what's important to us. And so I think there is a place for Christmas tree bills. Obviously, I think a lot of people have complained about them in this body. I think that there is a reason they exist and that we should use them when they are appropriate. I think when you get into an issue like this where they're conflated, it makes it difficult to have this conversation. And so that's why I was in favor of Senator Friesen's amendment--

HUGHES: One minute.

J. CAVANAUGH: --to strike that section. That's why I would join in the conversation to again strike that. I would also join in Senator Matt Hansen's amendment to strike the GILTI tax credit or tax cut. And I

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think we should continue to have these conversations about what's important to us and why we want to do what we want to do. But I think when it comes to this sort of tax policy, we should probably have that conversation in a more isolated fashion. And so I would encourage us to, well, I guess, recommit. That's an option. We can recommend this to committee. We can vote for this amendment or this recommit motion and we can take this back apart and we can have the conversation in the isolated context that I think we should have it in. And I probably don't have much time left, so I'll yield the remainder back to the Chair. Thank you.

HUGHES: Thank you, Senator Cavanaugh. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. If Senator McDonnell is somewhere, I'd like to ask him a few questions. But I'm going to talk about a little bit of another portion of the bill that I need some answers to and some questions I have. And it's concerning the Firefighter Cancer Benefits Act. It goes, I know when we-- when we sent this out of committee, I don't recall where I was on the vote. But what it does is it talks about giving a lump sum of \$25,000 for each diagnosable payable to a firefighter, a lump sum benefit of \$6,250 for each diagnosis, a monthly benefit of \$1,500 payable to a firefighter. Such benefits shall continue for up to 36 consecutive monthly payments, and a firefighter shall also be entitled to an additional payment of enhanced cancer death benefits in the amount of \$50,000 payable to his or her beneficiary. And I remember we also have a life insurance policy that we've just passed recently. And so I think this will be added on top of that. But some of the concerns I have on the-- on the-- what we're doing here on the benefit package and I'm hoping that Senator McDonnell would show up. But we talk about a community who has a paid fire department and so if they-- and again, it's permissive language in order to offer this. It's not required. But when you have a paid fire department that offers a cancer benefit package, I am concerned that once some of these departments adopt this, then down the road, when we do comparables under the CIR that we have some issues that it may be permissible language now, but eventually it turns into you must offer it because it's part of your package that they look at in the CIR. And so thank you, Senator McDonnell, for showing up. Let me kind of give you a little overview of what I was talking about. And I was-- I was concerned about when these packages are offered. I know it says "may offer," but as we do that and departments adopt this and cities adopt this, and suddenly now you're in a new array when it comes to the CIR, are we suddenly going to

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force cities to offer these cancer programs? And so would Senator McDonnell yield to a question?

McDONNELL: Yes.

HUGHES: Senator McDonnell, will you yield?

McDONNELL: Yes.

FRIESEN: So going forward, can you address some of the concerns I've raised a little bit on and how this might lay out when we're talking that whole benefit package and-- and they look at that and they put a value on it and you explained this a little bit to me. So I'll just let you, I'll yield the rest of my time to you and if you want to explain that.

McDONNELL: Thank you, Senator Friesen, for the question. Yeah. So with-- with LB299, I can't emphasize enough that it is a option. This is not mandating anything based on the cancer benefits. Now, of course, what we're addressing is the idea of not having a tax on those-- those benefits. But some of Senator Friesen's questions and concerns, if we start getting into the Commission of Industrial Relations and we start looking at comparability and how do you get there with-- with the comparability and you look at twice as big, half as small based on population, you look at similar work, similar skills, similar conditions, and you start putting your array together. And the work that was done down here by the Legislature in 2011 made changes; I believe did-- did a good job of-- of trying to-- to be fair with those changes and keep people at the collective bargaining table based on hopefully trying to resolve-- resolve their issues. But with the idea of a benefit package and putting a value on a package, if it's whatever that package might be with-- with healthcare or with the idea of a pension, you are putting a value. But that's not going to change your array of cities, based on, as I mentioned earlier, you started off with--

HUGHES: One minute.

McDONNELL: --population. You start off with population twice as big, half or small. You also look at similar skills, similar condition, working conditions. The idea you look at climatic conditions. So when those-- when those are finally put together and you start developing your case and you start looking at, then inside the benefit package again, going back to LB299, which we know volunteer firefighters that, that are 95 percent of the population of firefighters in the state of Nebraska do not have a collective bargaining agreement. And-- and

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that's not the purpose of this bill is to concentrate again on not collective bargaining agreements and not volunteer firefighters that don't have collective bargaining agreements. But it's about the service they're giving us, and it's about the working conditions they're going through--

HUGHES: Time, Senator.

McDONNELL: --and the idea--

HUGHES: Time, Senator.

McDONNELL: --that they're-- OK.

HUGHES: Thank you, Senators McDonnell and Friesen. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good evening again, colleagues. Returning to where I left off earlier, I was talking about the kind of variety of different amendments that are packaged together, and the Revenue amendment, AM774. And I want to be very clear. This isn't me, you know, coming out hard against packages or Christmas trees. I have helped and make some before. I have prioritized some before. That's not inherently a problem, but the problem is, is you kind of need to know in a Christmas tree if, you know, the-- what, what you're willing to accept and what you're willing to not. Oftentimes, when you're putting together a Christmas tree, you kind of know where the weak link is and you make a decision of we're either going to sink or swim, stick with this, stick with this provision or, you know, we'll throw it out and get rid of it if the going gets tough. And obviously, I wasn't involved. I didn't put together this package. I don't know where members of people who support LB432 stand on this. I want to be 100 percent clear, both with the body, with the public, with the media, with everybody watching. There's a path forward for me to vote LB432. I had tentatively made an agreement to support it tonight and maybe even get it to a final vote today with the adoption of the Friesen amendment. And obviously now that the Friesen amendment hasn't been adopted, that changes the stakes for me. Likewise, I think there's other people who would support some other combination. There's different people who like different provisions of the bill, a different amount, and that's fine. And I, you know, getting to 49 is always great. What you really need to do is, you know, get to 33, we'll be honest, or 30 if the Governor doesn't like it. And that's where I just genuinely kind of don't think we are at. And that's kind of the tough spot we're in where I don't necessarily think we can get many votes or at least many votes on

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amendments left in the 45 minutes or so we have left tonight. So that's left to us in a body to kind of figure out and go where to go. One of the things that I do truly miss in the pandemic is the media can't join us on the floor anymore. I know we've been updating our provisions and hopefully that doesn't stay like that for too long. But one thing that I know kind of sage observers of the Legislature always talk about is, you know, the who's talking to who under the balcony, who's you know, back in the-- for the public, anybody who doesn't know, we have four phone booths in the back of the room where you can take a-- take a phone call, you know who's in a-- who's working out a deal; who's-- who's out in the Rotunda and so forth. And then watching that sometimes is, you know, you have the sidebar conversation that breaks an impasse or leads to some understanding or some gleam. And I think we've had a fair amount of that tonight. I don't necessarily know if it's all led to anything productive or anything final. But I could tell just from talking with people, I've talked with people, gotten a good sense of where people are at. I've made it clear where I'm at. And that's-- we as a body are trying to figure out what to do here on LB432. But fundamentally, that's kind of the thing I want to get at is-- is for me, I have some severe heartburn, especially in the light of what everybody wants to do or says they want to do on other tax provisions that there are some just kind of pure gifts to non-Nebraska corporations, to frankly international corporations in this bill. And if that's what we want to decide our state priorities are, that's OK. I will vote no and I'll lose that fight. But I do think it's on a collision course for other things that I view as bigger priorities and other things that I have supported. You know, we're finally catching up in the state in terms of solving our taxes on retirement or taxes on military pensions or taxes on Social Security. And just this morning, we were talking about maybe a blanket, excuse me, a blanket--

HUGHES: One minute.

M. HANSEN: Thank you, Mr. President. --a blanket repeal on Social Security taxes might be too expensive. And if that's truly the best public policy that's in Nebraska to not pay for all of the Social Security, to exempt some people, and that's what we need to make some incremental progress, I can support that. But for me, there's a really heartburn to say to some seniors, to some retirees that, no, we're not going to let you get your Social Security tax free because we have this specific, cumbersome loophole tax exemption for international corporations that repatriate foreign money from the Cayman Islands. And we decided that they needed the tax break more than you needed a tax break on Social Security. That's kind of what we're dealing with

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here, and that's kind of fundamentally why I have some hesitation and some opposition to this. There are confusing, conflicting priorities on the floor even just today, even just in the bills today we've seen. And for me, you know, some of the ones that are going directly into the pockets of Nebraskans directly--

HUGHES: Time, Senator.

M. HANSEN: Thank you, Mr. President.

HUGHES: Thank you, Senator Matt Hansen. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Mr. President. I was enjoying what Senator Hansen was saying. Senator Hansen, would you like more time?

HUGHES: Senator Hansen, 4: 50.

M. HANSEN: Yes, thank you, Senator Pansing Brooks. And thank you, Mr. President. So as I was saying, so we often kind of talk about this on the floor in terms of, you know, what our priorities are. Who do we want to help? And I believe a couple of people have mentioned it. I think most recently, Senator John Cavanaugh. But let's be honest, you know, I don't think anybody put lowering our corporate income tax rate on our-- our-- wasn't a campaign slogan for any of us. It wasn't on our little palm cards. It's not what voters asked us about at the door. And maybe that's a fine puzzle piece to work in, in the overall tax plan in the state of Nebraska. But right here right now, we do realize and we've already talked about it this morning, we've already kind of set up a collision course. And I know we're all kind of bracing for less-than-stellar news at the fiscal-- on the fiscal projections on the Revenue Forecasting Board coming up later this week. So I understand the desire to move forward and say, hey, we can deal with this on Select once we knew the no-- know the new numbers. But for me, you know, putting-- putting priorities up, this is not something that I'm even interested in, in moving forward that far because I know we're going to have to make cuts and this is very clear and easy cut for me to make. This is something that is not for Main Street, Nebraska. It's not for, you know, our-- our neighborhoods, not for our districts. Some of the statistics I've heard specifically on the provision that Senator Friesen was trying to strike out was it was something about 8 percent of corporations get it. So 92 percent of corporations don't even get the benefit of this. It's not even necessarily for all Nebraska businesses. It's for a very select group of large Nebraska businesses or businesses from out of Nebraska that just happen to sell things in Nebraska. Because let's not forget that,

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it's not necessarily job, true job creators here, it's just corporations that have an income here. Similarly, with the GILTI provisions, that's expressly with repatriating offshore account money and is a thing that was tied to the, I'm going to forget the exact term, but the-- the large tax cut plan that the Trump administration championed through Congress. And that is a tradeoff to lower the federal corporate rate in exchange for getting some money repatriated here. And then you're having the argument that it's actually the state of Nebraska's tax-- state of Nebraska's tax is going to be some sort of barrier or thing. That's the part that I have some of the hardest heartburn with, the strongest struggle with because to me that, I haven't even necessarily heard a good policy reason for that because it's inherently-- it's inherently rewarding in my mind businesses that haven't necessarily acted in the best of faith in the past. So there's this compromise at the federal level to try and get some of this overseas money, some of this tax haven money, Cayman Island, you know, money back to the United States. And if we're just going to say yes, you can bring it back and you just get an extra exemption, don't worry about it. That doesn't to me to seem to be any sort of coherent policy. If there is some sort of thought that that's going to lead to increased jobs in Nebraska or some connection to that, I'd be interested in it. But to me, it seems like just frankly a give-away to, like I said, companies that haven't necessarily acted in the best face, acted as the best corporate citizens in the-- in-- in the state of Nebraska or the United States. And especially when we've already, like I said, set up kind of some of the collision course in taxes. I don't want to overplay this point, but many people have said and we could see on our green sheet, we do have more things that we can spend money on or more taxes--

HUGHES: One minute.

M. HANSEN: --that we can cut, however you want to phrase it, but it's, you know, the-- the ins and the outs. We have more of those proposed and more of those coming than I think we could possibly balance. And we know we're going to have to trim and we know we're going to have to cut proposals. Some bills are going to have to move forward or some bills are going to have to get inherently struck down. And for me, why we wouldn't say, hey, of all of our priorities very clearly, some of these multinational corporate tax kind of freebies are some of the easiest ones to-- to get rid of. That's where I stand. I don't want to take LB432 to cloture. But if we're talking about priorities of the state, that's something that's in my mind. Like I said, there's a path for me to get to vote for it. I think people know where that is; and

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if we want to go that way, that's great. And if not, I can vote no. I'm just kind of laying all the cards on the table--

HUGHES: Time, Senator.

M. HANSEN: --and trying to be-- thank you, Mr. President.

HUGHES: Thank you, Senator Matt Hansen. Senator McCollister, you're recognized.

McCOLLISTER: Thank you, Mr. President. Good evening, Senators. Even a cursory view of this bill, you'd have to agree that it's got a bunch of discordant parts, certainly not a birds of a feather kind of bill. And for that reason, I-- I'm-- I'm a little concerned about the way this bill seems to be putting-- going. Overall, I think we do need to reform our tax structure. We take a look at some of the elements of our tax structure, sales tax, income tax and property tax, and we know that those parts do not work well together. And some of the groups that we-- we talked to: OpenSky, Platte, and others, the Tax Foundation do say that we need to reform our tax structure in Nebraska. I support the Walz [SIC] initiative on TEEOSA reform. I think we need to get the stakeholders together, lock them in a room, and make them come up with a new, new kind of a-- new kind of bill. I just been corrected. I guess it's a Senator DeBoer bill, so I think that is something definitely we-- we should consider. And as I've spoken before, we need to broaden our sales tax bills. We have exceptionally narrow sales tax so we need to broaden that to include more services. And finally, we do need to review our income tax in comparison with other states. We do need a comprehensive review of our tax structure-- tax structure in Nebraska. And the sooner we do it, the better off the state will be. I would like to relinquish the balance-- balance of my time to Senator McDonnell.

HUGHES: Senator McDonnell, will you yield?

McDONNELL: Yes. Thank you, Senator McCollister, for the time. So I'm trying to go back to-- to Senator Friesen's question and try to finish up. So with the idea of these cancer benefits, I can't emphasize more, they're-- they're optional. There is a zero fiscal note for the-- the state of Nebraska. And again, it's optional for those communities with the idea that we have approximately, you know, 95 percent of our firefighters in the state are volunteer. We're talking about the cancer benefits not, of course, being taxed or unfortunately possibly the death benefit. But going back to try to describe the CIR try to make-- make sure everyone's got a clear picture of this, this is not affecting the Commission of Industrial Relations. And when we look at

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a comparability and both sides are bringing different cities and you start looking at population and again, twice as big, half or small, and then you start looking at working conditions, similar working conditions, similar skills, similar conditions. And then we start looking at climatic things. We're not talking about any benefit at that point. But of course, once that array of cities is set and you start doing the travel and you start looking at the pluses and minuses from both sides on what that city offers, then you start getting into different kinds of, of course, wages and benefits. But the benefits are a package and there is-- is there a value put on the package? And as I mentioned, some of the changes that they made in 2011 about the CIR not going too far down the CIR road because this has nothing to do with the CIR, and it's not going to impact the CIR. Now, of course if a community says, oh, I want to put this kind of benefit into a package, then, of course, that's going to be considered at some time. But the idea of trying to pick an array of city and having a tipping point, that is not going to happen. That's just-- that's just false. But would it be considered again? Are we talking about that? No. This bill is about not having a benefit based on your service and your employment and possibly what happened, not having a benefit taxed. And that's either for yourself or for your family because of the-- the death benefits.

HUGHES: One minute.

McDONNELL: So the idea of the firefighter cancer benefits--

HUGHES: One minute.

McDONNELL: --and what we're trying to do with LB299, it's an option for all communities. If they decide to go ahead and go that route, we're saying thank you. And for those firefighters that are serving that community, if they unfortunately would have to utilize this benefit, then they're not going to be taxed on that benefit. Thank you, Mr. Speaker.

HUGHES: Thank you, Senators McCollister and McDonnell. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. President. We're getting close to the end of the night. I don't know if I have another time or not. This might be my second time on this particular motion. So when you have like these big issues and complex things, people send you a lot of stuff on it. And I think sometimes it's interesting. I got one thing sent to me I was just looking at here where it says 64 percent of voters believe that large corporations should pay more taxes than they do now; 78

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percent of voters believe that making sure corporations pay their fair share of taxes is an important budget goal; 55 percent extremely important; 80 percent say the same about closing tax loopholes that benefit corporations. So I was reading that because I always get a kick out of when people send me polling data as a reason why I should support or not support something. And I guess that doesn't have really any effect on me. I don't-- I automatically default to thinking, well, how did they ask the question? What was their sample size? How reliable is this? Is it a push poll? Those sorts of things. So I mean, take it with a grain of salt what they're saying there, but there is some interest. And I think that there are a lot of people talking on the national level right now about increasing taxes on corporations and somebody, long hours ago, said they're not in favor of doing that, nor am I really in favor of increasing taxes on anyone. But again, we're having a conversation about cutting taxes on one particular group that I'm not convinced it deserves or needs that tax cut. And we have to carry that, put that on the balance sheet with what else are we giving up by not-- by adopting that tax cut. And I know a lot of people are here and maybe some of the people are-- I don't have any bills going forward that I think are spending any money if I-- so I'm not one of the people that's out here saying, oh, I'm against this because if we adopt this, there won't be money left for the thing that I want. There are certainly things I'd like to see the state do. None of them are-- are-- well, I don't have any bills on the floor that cost money that accomplish things that I'd like to see the state do. However, I do think there are things coming forward that would be better use of our funds and everyone needs to be conscious of that, whether this is what you want that money to go to or not. So my point is I don't have a vested interest or a dog in this fight particularly. This is a public policy question for me. This is whether this is the right thing to do right now, how we're doing it. And I don't think it is, and that's why I'm against this portion of the bill. And I'm against the port-- the portion for the corporate tax cuts and the GILTI tax cuts, which are again part of a corporate tax cut. And that-- I'm against that not because I have something, but I just don't think we should do that. And then if that money, we have that money, we can use it for other things. But there are people here who have other things they want to use it for. I'm not going to, I guess, call anybody out for what they're interested in, but I've certainly heard people say, if we adopt this, we won't have money for this thing that I want coming up. And so we need to-- we need to be conscious of that. So I know we all liked LB64 today. I like LB64 again for a policy reason. I think that we shouldn't be taxing Social Security income. I-- I'm not convinced about some of the other arguments that were made around it. But in the interest of getting to that point, I was willing

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and am willing to consider the changes that were proposed by Senator Flood this morning that would actually decrease the fiscal impact of that. Because I think it's a good idea--

HILGERS: One minute.

J. CAVANAUGH: --is the reason I was willing to amend that bill, not because I thought that we shouldn't do the bill that I was a cosponsor of initially. But I know some people were in favor of that more conservative approach to the tax cuts in LB64 because they saw the fiscal note and they saw that it would take money away from other projects. That's the calculation everyone needs to make about every bill at this point when it has a fiscal impact, and we need to make sure that we're considering that. And so is this the fiscal impact that we want to make? And does it have the-- the, well, we can have another 'cause I'm going to run out of time, but we can have the conversation about does it have the intended effect that we're attempting to achieve if we were to adopt it? I-- I don't believe that it does. I think that there's good data to show that it doesn't. And so the question is really, why are we doing? Why would we do this? What do we get out of it? And how much is it going to cost us in the long run? So I think we keep the conversation going.

HILGERS: Time, Senator.

J. CAVANAUGH: Thank you.

HILGERS: Thank you, Senator Cavanaugh. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. And I thank Senator McDonnell for kind of clarifying some of the concerns that I had. And I'm just going to-- I want to talk a little bit more about it because I think it's important and the city and the League is-- is concerned by what the, maybe the unintended consequences can be. And hopefully in the meantime, we can get this cleared up. One of the concerns I had was that any time within five years after someone is serving also, you could have to maintain these cancer benefits. And so when I look at the cost of that and you're-- I don't-- his round numbers were \$14 a month or so for every firefighter. And if you're talking a firefighter that might retire at 65 years old and for another five years, the odds of him as you age and getting cancer gets better and better all the time. And it may have nothing to do with being a firefighter. Or it might be more after where he's working. One of the-- one of the things, too, and I-- this got-- this got brought up a little bit and it talks about this may go for volunteer fire departments also in that

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when a community is in front of the CIR and doing comparabilities, it-- I'll just read some things on here on how the CIR handles this. And, you know, in establishing the wage rates, the Commission of Industrial Relations shall take into consideration the overall compensation presently received by the employees, having regard not only to the wages for time actually worked, but also to wages for time not worked, that's including vacations, holidays and other excused time, and all benefits received, including insurance and pensions, and the continued stability of employment enjoyed by the employees. So one of the things that when we talk about here, according to the benefits provided if-- if your community ends up and even if you have a paid or volunteer fire department, but you offer them numerous other benefits, those are put into that contribution that they do look at as a comparable. I'll read on here a little bit, for benefits other than defined benefit and defined contribution retirement plans and health insurance plans or health benefit plans, the commission shall issue an order based upon a determination of "prevalency" as determined under subdivision (2)(d) of this section, Nebraska Revised Statute 48-818 to (i). In other words, the Commission of Industrial Relations issue an order setting cancer benefits shall look to what other cities provide as to cancer benefits to its employees in its determination of "prevalency." Based upon what is prevalent in the compared to array of cities, the Commission of Industrial Relations can order cancer benefits exceeding the minimum set forth in the proposed state legislation. And so I think it was the FOP Lodge 74 v. City of Crete back in 2014, they ordered the city to continue to provide long-term disability insurance and dental insurance to its employees and continue to contribute to its cost. So those are just some of the concerns that were brought to me by the cities. And I-- if Senator McDonnell wishes to respond, I'll either give him some time if I have any left. But again, I think we can talk about this more and I think the-- the League will probably reach out to him and talk a little bit more about it. But those are just the concerns I wanted to bring to the floor. And when we talk about the CIR and comparability, I do have some concerns because recently a few years ago, the city of Grand Island was declared a metropolitan statistical area. And therefore, because of that designation, they had to increase their wages 33 percent.

HILGERS: One minute.

FRIESEN: And that was a huge issue to the city and its budgeting. And so I want to be cautious when we're doing these types of things, and I do appreciate the volunteers. I spent 18 years as a volunteer fire department and I do appreciate the guys that are out there. They are

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doing it out of a gift of love for the community and they-- they want to give, and this is sometimes the least that we can offer them if that's an interest and they can afford it. With that, I will yield any time remaining to Senator McDonnell.

HILGERS: Senator McDonnell, 28 seconds.

McDONNELL: Thank you, Senator Friesen, for the 20 seconds. Let me move quickly here. This has nothing-- this is about cancer benefits. This is not about the CIR. Now, again, I believe Senator Friesen's questions are legitimate, but it's not about the CIR. It's not about effecting the array and the process you go through. And looking at a case that's being sent to him by someone based on a cancer benefit and looking at this bill, it's two different things.

HILGERS: Time, Senator. Thank you, Senator McDonnell and Senator Friesen. Senator Day, you're recognized.

DAY: Thank you, Mr. President. I think there is a few things in LB432 that I support, and I'm happy to see. There's a couple of other things that I am still not quite sure about, so I would like to continue to listen to the conversation that we're having. So with that, I would like to yield the balance of my time to Senator Matt Hansen.

HILGERS: Senator Matt Hansen, 4:37.

M. HANSEN: Thank you, Mr. President, and thank you, Senator Day, for your courtesy. As I understand it, we're getting close to breaking for tonight and I appreciate the discussion we've had and I appreciate all the pieces we've had. Even just Senator Friesen's asking clarifying questions on some of the benefits of the firefighter disability provision kind of show why sometimes these bills need more scrutiny and more-- and more coverage. I did at my earlier time at the mike say, you know, that sometimes you-- sometimes is, as has been commented on the Legislature, there's discussions around the margins, under the balconies, discussions on what to do and what to have next. And I think we're at least approaching a point where people understand, or at least key people involved in this bill know the key steps forward. It's not mine to share, but I do want to just let the body know and let the public know that this isn't-- hasn't been all for naught. There's been discussions kind of continuing all evening. That being said, going off to back to Senator Cavanaugh's points, Senator John Cavanaugh's points, I don't necessarily-- I'm not necessarily framing this as this has to go down in order to, you know, protect or make room for other bills. I, like him, have some public policy opposition to some of the provisions in LB432, especially the

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GILTI provision. That's one that I just kind of as a fundamental public policy point, as a fundamental justification struggle with why we as a state would grant a tax benefit for these monies from these corporations. Moving forward, we're going to have some opportunities to discuss and debate that and hopefully get some more coverage and more expertise in this. As I said before, with-- with all provisions takes a lot of time and effort to work and build up a level of knowledge, level of understanding, both of the current tax base and the current tax structure in the state of Nebraska. And then we get to-- an opportunity to kind of level the changes on that as well as how to move forward. So for me, it's not necessarily that I want LB432 to go down or to change or to, you know, get filibustered, fail on cloture to protect other bills. But I do know that we've had other bills that I view as priorities, that I view as things that I like and I support that have faced some scrutiny because of the fiscal cost. And that's something we're ultimately gonna have to rectify with LB432, coupling that with some public policy concerns that I have about some of the provisions, especially about how we are handling repatriating kind of tax haven offshore money back into the state. That's fundamentally what I want to get to at some point and I want to understand and get at. I do want to really appreciate all of the work and effort that a number of senators have on this floor. You know, whether you like or dislike a bill, there are another-- a number of our colleagues who do have and have developed their expertise on revenue bills. And I do think overall, you know, the Revenue Committee, Chairwoman Linehan, that have been kind of very open in terms of what they're planning and what they're going for. And I hope that we have, while we have our disagreements, people are at least understanding where we're going forward and kind of what some of the major issues and concerns are for. Overall, though, I still kind of come back to this fundamental point of we in the Legislature are going to have to make some kind of tough policy provisions coming forward.

HILGERS: One minute.

M. HANSEN: I know it's not confirmed yet, thank you, Mr. President, I know it's not confirmed yet, but I don't think anybody is necessarily bracing for great news from the Forecasting Board. Not necessarily, it's not necessarily going to be bad news, but it might not be great news. And a lot of the bills that we have on General File right now are presuming that we're going to get great news. And I don't think it's going to live up to that. And so that's why I have some of these hesitations in terms of moving too many things to Select File too quickly. We've seen that in past years. I felt like once something gets that first round and gets to Select File, it's got legs, it's got

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momentum. And I know, you know, it's kind of a metaphorical momentum. But for those who serve in this body and those who've served in the past, I think they'll verify that that does feel true. That does feel like the case, that when a bill gets a good vote, you know, it has-- it has legs, it has momentum. Similarly, kind of in a position like this, you know, when a bill gets kind of a bad vote or a close vote, you know, that amendment failed--

HILGERS: That's time, but you're next in the queue. You may continue.

M. HANSEN: Thank you, Mr. President. As I said, when people have a tough vote or a close vote, or even that last vote, where there were 23 no votes and 23 yes votes, an identical split with, I think, one person absent and one person not voting, that math line up? I have to count that up. I don't think that's adding up 100 percent, but that's what I remember, a 23-23 tie. And the issue there is, you know, that's a pretty sizable thing to react to a pretty sizable amendment in a pretty sizable package. And that is partially why some of these wheels are slowing down a little bit because genuinely, genuinely, I'm not 100 percent sure where all the votes on the following amendments, with the committee amendment, even the bill itself. And I might presume the bill itself has 25 on its own, but I'm not sure how each of the following amendments would go, and those decisions all compound upon each other. They all compound in the sense of, you know, obviously for myself, you know, I was comfortable tonight taking out the corporate tax provisions and leaving in the GILTI provisions as kind of a sign of good faith in moving forward. That obviously didn't happen, and that kind of did not ease my concerns about the bill and did not make me want it to-- to move forward with any-- with any speed tonight. And that is why I think we need to kind of [INAUDIBLE] back. You know, I kind of come back to the fundamental point earlier where talking about-- I'm actually, initially, I was a little wary of revenue week and I know we're only one day in and I don't want to jinx it. So I'll knock on wood. Revenue week, I was a little wary in the sense that I thought tax bill on top of tax bill on top of tax bill was going to be hard to follow or confusing or too much of a good thing, whatever you want to phrase, and be a little bit difficult or a little bit burdensome. And I'll be honest. I had a-- I had a postlunch, early afternoon lull where there were enough bills, enough tax bills today that it was a little hard to kind of necessarily differentiate and-- and fully comprehend kind of each one's place in the full scope. But I also feel really the benefit of that that I wasn't expecting is the kind of continued discussion that we have about state priorities, one after the other after the other. You know, several people kind of expressed concerns about sales tax exemptions earlier, including a

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sales tax exemption that I very much agree with Senator Wayne is very fundamental on terms of sales tax exemption on water. To me, it's up there. It's-- it's just kind of a fundamental oversight that groceries are tax exempt, including bottled water, but tap water isn't. That doesn't line up. To me, that's a fundamental issue. And yet people, you know, express concerns. There was some concern about, you know, the impact on the General Fund, the impact on municipalities, and I think that's valid. I think that's what the level of scrutiny and the level of measure we need to have on kind of every bill that has a consequential fiscal impact, both at the state level and at the county level, city level, all levels of government. Because at the end of the day, we as a Legislature, because of our unique role in the three branches, get to serve as obviously the public policy branch, the-- the kind of the long-term stewards of the state. You know, an individual Governor can make some kind of pretty, you know, unique decisions. But ultimately, you know, no decision that's really going to be set in stone as opposed to, you know, the Legislature where, you know, when you get a tax exemption, when you get a tax bill, you get something passed in statute, you know, it's going to stay there, likely until some senator, you know, uses their personal priority and gets to 33 to change it. And that's a fundamental strength and a fundamental power in terms of we have as a Legislature, which I'm very glad the public of Nebraska have entrusted us to do.

HILGERS: One minute.

M. HANSEN: And I'm also-- thank you, Mr. President-- very glad that we have been using it cautiously so far. You know, some of the priorities that I've heard from my constituents have been to fix the retirement on-- the taxes on retirement, both military retirement and Social Security. It looks like we're trending towards good progress there that this year. I'm really appreciative of the senators who introduced those bills and prioritized those bills. I think that's going to be great progress. But at the same time, you know, it's taken us so long to solve that because, in part, we've gotten so many other exemptions and tax plans and incentives and things that kind of compete for the same-- the same, let's say, resources, but you know, it-- compete for the same-- same opportunity on this floor. And that is fundamentally why I think some of these things need a little bit of scrutiny and a little bit of slowing down before we rush into it. And with that, I realize I'm probably out of time.

HILGERS: That's time, Senator. Thank you, Senator Hansen, and that was your third opportunity. Senator McCollister, you're recognized.

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McCOLLISTER: Thank you, Mr. President. Good evening again, colleagues. This bill has a little bit of a checkered past, I think, LB432. The fiscal note I don't think quite works out. As I indicated, LB672 has a fiscal note of \$4 million in one year, \$6 million over a length of time. LB502 has also a \$6 million fiscal note and also a continuing \$6 million obligation as well. And LB182 has a \$2.7 million fiscal note; and on a continuing basis, it's \$4.7 million. So in addition to having some parts that may not fit together, the fiscal note's got a definite problem. Senator McDonnell still has some comments to make on his part of the bill. So I would relent-- relinquish the balance of my time to the senator.

HILGERS: Senator McDonnell, 3:37.

McDONNELL: Thank you, Senator McCollister. And just trying to talk with Senator Friesen and others and try to get back on-- on LB299 and the idea of these benefits. Again, 100 percent optional. Any community that wants to come up with a benefit that's up to them, 100 percent. So if you've read something prior to-- prior to the amendment, that has definitely changed. But if we look at the idea of the fact that if someone does offer a benefit based on a firefighter, and again, 95 percent of our firefighters are-- are volunteer in the state of Nebraska, and we appreciate the volunteer and the paid firefighters. But if you do happen to have that benefit and you would end up having to utilize that benefit, pray God-- pray to God that you don't. But if you do either based on trying to recover or your family receiving that death benefit, then what we're talking about today with-- with LB299 is that it would not be taxed. It would not be taxed. That's what we're concentrating on. Again, 100 percent optional for those communities. That's-- that's up to them to say yes or no and to this kind of-- of cancer benefit. Even though we know that the-- the rates of cancer based on the profession or based on the volunteerism that it's going to be high. And when we have, we have stats on that and unfortunately we have-- we have people that have made the ultimate sacrifice based on that and-- and that's not going to change. There's always ways to try to take a dangerous job and make it safer. And that's what, of course, you try to do with training and equipment. But we're concentrating on today is that firefighters, they do get cancer at a much higher rate. And if a community decides to offer this benefit and the firefighter happens to have to take advantage of that benefit at the time of need, then they're not going to be taxed. That's as simple as this is. And I-- I appreciate talking about other things and the Commission of Industrial Relations and other things. But in reality, this is about a benefit that is 100 percent optional for a community to offer. And if they do, and that person is in that

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situation and because of their service has a situation where they have cancer, then they have an opportunity to get that benefit and-- and not be taxed on it. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator McDonnell and Senator McCollister. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. Well, we're getting close to the end of the night here, and we've had some really good conversations. I just want to say Senator McDonnell has made some good points about his section of the bill, which I appreciate hearing. And just to reiterate, I'm in favor of that portion of the bill. So one thing that Senator Friesen, I'm going to keep quoting back Senator Friesen all night, talked about is that some of these, when corporations pay these taxes, they aren't actually paying them. They are just passing them on to the individuals who are buying the product that the corporation makes and sells. And I don't disagree with that, and I think that there's a certain logic to that. And I know we've had a lot of conversations, people like to talk about, you know, taxing use. Senator Erdman has a consumption tax bill that I think we're going to get to talk about at some point in time. And you know, he likes to say that he likes that tax because you can control how much tax you pay. That's sort of the same as it pertains to individuals and the corporate income tax. So you can control whether or not you're paying it by not purchasing those products. But one thing that made me think about is how exactly we structure these. Some people talk about we need to lower the tax so the companies will come and site themselves in Nebraska. But that's not how the tax works. Tax works on actual income generated in the state. So it's not like an individual where if I move to Iowa, I don't-- I won't pay Nebraska income tax anymore. This is for sales in the state of Nebraska, which I guess means that, say, Amazon pays a Nebraska income tax if they pay any, which I guess there's a lot of conversation. One of the reasons that poll I cited earlier tonight is people think corporations should pay more is because famously cited corporations like Amazon pay no federal income tax because they've hired good lawyers to figure out how to move around their money in such a way to allow them to take advantage of all of the corporate incentive, the tax incentives and credits and things that we have made available to them as a matter of public policy. And so this is another one of those questions that we're talking about of matter of public policy, where we are choosing how to tax entities and give a benefit to some individuals. As I pointed out earlier, 1,900 or 1,600 or so of the about 50,000 corporate-- corporations, C corps in the state of Nebraska, so a relatively small number of them were choosing to do that. But really, the argument that

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people are going to choose not to site here or are going to move out of the state is not based on this tax. It's based on all of the other things we talked about when it came to what's going to get young people to move to the state. It has to do with workforce. Senator Groene talked about the reason people can't-- that corporations don't come here because they can't fill the jobs, and it's not because of the corporate tax cut or tax rates. So this is a question of public policy and a question one we're going to keep having I think tomorrow because we are getting close to the end here. But I just wanted to kind of put a bee in your bonnet, I guess, as we end the day to think about this, that the taxes that are paid are only those on incomes derived from the state of Nebraska. So corporations like Amazon could choose not to sell in the state of Nebraska, but I bet you they will continue to choose to sell here. So I'm going to end with that and thank you. Have a good night.

HILGERS: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. Good evening, colleagues. Good evening, Nebraskans. I'm going to speak again to Senator Albrecht's LB597, which is contained in AM774, the Revenue Committee amendment to LB432. This is a question that I think is too controversial for this bill, and it also doesn't pertain to the underlying subject matter of this bill. And for that reason, I think it should be divided out of this package. We should divide that question, and that's something we can talk about doing tomorrow. We need to think about the legal implications of passing a bill like this and what this means as a precedent in Nebraska. Is it a refundable credit so it's only available if you file a tax return? Yes. So why use a tax credit instead of just issuing a check upon the presentation of a stillborn death certificate? Why just one check? Why is there not an annuity or a check every single year? Why just checks for the stillborn children? Why not for all children? Remember the trick with tax cuts and tax credits, sorry, the trick with tax credits is that they don't run through to the budget. They don't have to be reapproved every two years, and they're really hard to account for so they're very easy to lose track of. All of these bills around personhood, all of these bills that chip away at the relationship between a patient and a doctor when it comes to reproductive healthcare, all of these bills serve one purpose: to keep the antiabortion base fired up, to identify the friends of the devil in the Legislature, and to raise money for the cause. Maybe we should offer a tax credit for failed attempts to conceive a child. I can continue to take policy like this to its logical conclusion. But I want to be careful also of making light of

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the trauma and tragedy of losing a pregnancy. However, bills like this take that trauma and they manipulate it to a further, more dogmatic objective. This is not the idea of grieving mothers that bring bills like this, but of Right to Life right wing antiabortion zealots who are furthering their cause. We had a bill brought by Senator Albrecht to issue death certificates for miscarriages, which passed, and the reason she gave was to help mothers grieve and to help parents process the loss of that child, the loss of that pregnancy. And during debate, Senator Albrecht was asked by a senator if this wasn't just a disguised antiabortion bill. And she assured the body that this is not a disguised antiabortion bill. That's not what it's about. That wasn't its origin. But then, in the Governor's closing speech to the Legislature that session, he hailed that specific legislation as a significant piece of antiabortion policymaking. So even if people misrepresent and say that's not my objective; that's not why I introduced this; it's not to chip away at the relationship between doctors and patients; it's not to take away women's reproductive rights; it's not to snowball down the path of personhood, that ends up being the outcome. And the proponents are thrilled. They knew all along that that would be the outcome and that's exactly what they wanted. The expenditures that a family makes for a child who has to go to the NICU and then doesn't make it and tragically passes away are far in the excess of the expenses for a miscarriage. And there's no extra tax benefit for that. These bills are just a bald attempt to give some legal recognition to fetuses in tax law--

HILGERS: One minute.

HUNT: --which would then be used as a reason to give legal recognition to fetuses in other contexts, such as criminal law or healthcare law. In thinking about these personhood bills, there are two basic issues to consider. First, what are the medical facts about conception and personhood? Second, what are the legal implications of a personhood law? This sounds like a conversation that we will continue tomorrow. I hope that we will divide the question and then I can take Senator Albrecht's LB597 eight hours on my own. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Mr. Clerk for items.

ASSISTANT CLERK: Thank you, Mr. President. Amendments to be printed: Senator Williams to LB432; Senator Matt Hansen to LB432; Senator Machaela Cavanaugh to LB432. Name adds: Senator McCollister to LB84; Senator Sanders to LB84; Senator Blood to LB649. Priority motion. Senator Sanders would move to adjourn until Tuesday, April 27, 2021, at 9:00 a.m.

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HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. We are adjourned.