

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 16, 2022

HILGERS: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twenty-seventh day of the One Hundred Seventh Legislature, Second Session. Our chaplain for today is Father Ryan Lewis from St. Elizabeth Ann Seton Church in Omaha, Nebraska, Senator Lindstrom's district. Please rise.

FATHER LEWIS: Loving and merciful God, this distinguished legislative body convenes this morning on this beautiful Nebraska day, which is itself your gift to us. We convene for the important work of governance of this, our great state. Please bless our state, which we love. Assist in its growth and prosperity and its resolve to reach out to the poor, the marginalized, the suffering. May the efforts of this Legislature lead not only to right order, but also to strengthen our state and its citizens and their desire for collective compassion, unified humility, and gratitude for blessings received. And in our desire to be a state that is welcoming, girded with strong morals and dedicated to the dignity and worth of every human life because every life ab initio is made in your image and likeness. Bless these, our citizen legislators. May they legislate and give counsel, aided always by your prudence, your wisdom, your compassion, your understanding, your love. May they serve well those whom they represent and the state as a whole. Bless their families. Help them this day and throughout their public service to work always for the common good, your common good. May everything we do begin with your inspiration, continue through your divine assistance, and reach perfection to your honor and glory. May it be so. Amen.

HILGERS: Thank you, Father Lewis. Senator Murman, you're recognized for the Pledge of Allegiance.

MURMAN: Please join me for the pledge. 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.

HILGERS: Thank you, Senator Murman. I call to order the twenty-seventh day of the One Hundred Seventh Legislature, Second Session. Senators, please record your presence. Roll call. Colleagues, just to update you, we're resetting the system. We had a little technical malfunction. We're going to recheck in here in a few minutes, but that's what we're waiting on. Thank you. Members, would you please recheck in? Please recheck in. Thank you. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

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HILGERS: Thank you. Are there any corrections for the Journal?

CLERK: I have no corrections.

HILGERS: Thank you. Are there any messages, reports or announcements?

CLERK: There are, Mr. President. Your Committee on Enrollment and Review reports LB847, LB567, LB749, LB704, LB786, LB791 to Select File, some of which have Enrollment and Review amendments attached. Your Committee on Judiciary, chaired by Senator Lathrop, reports the following bills to General File: LB102, LB748, LB808, LB810, LB870, LB896, LB1241, LB1244, LB1246, LB879. Education reports LB888 to General File. Priority bill designations: General Affairs has selected LB876 and LB1236 as the committee priorities. That's all that I had, Mr. President.

HILGERS: Thank you, Mr. Clerk. Senator Brandt would like to recognize Dr. Jason Bespalec of Geneva, who is serving as our family physician of the day. Dr. Bespalec is seated under the north balcony. Please rise and be recognized by your Nebraska Legislature. And Senator Dorn would like to welcome 16 members of Leadership Beatrice who are celebrating their 16th year. They're seated in the north balcony. Please rise and be recognized by your Nebraska Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR293. Mr. Clerk, first item on the agenda.

CLERK: Mr. President, the-- returning to LB906 considered yesterday. The Enrollment and Review amendments have been adopted. Pending when the Legislature left the issue-- I'm sorry. That was withdrawn. The next amendment I have to the bill, Mr. President, Senator Hunt, AM1923.

HILGERS: Senator Hunt, you're recognized to open on AM1923.

HUNT: Thank you, Mr. President. AM1923 is a serious amendment for me. If we're going to be talking seriously about LB906 and if it has 33 votes to move on to Final Reading, which it probably does, I think that AM1923 would probably improve the bill and put it more in line with other bills that we have that come between the rights of government and employers and business owners to run their businesses the way they see fit. AM1923 inserts "fifteen" on page 1, line 10 instead of "one." So what that would say is "Employer means a person engaged in an industry who has fifteen or more employees." Right now, it says one or more employees. Nebraska has a large, complex set of

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statutes that protects employees, the Fair Employment Practice Act or NFEPA. This act includes protections for employees from harassment and discrimination and employer retaliation. However, there's a giant hole in the act. Employees that work for nongovernment employers with 15 employees or less are not protected. So the Fair Employment Practice Act, if you have fewer than 15 employees, you're not protected by that act. Employers who work with small-- who work for smaller employers are not protected by federal law either. Title VII of the Civil Rights Act of 1964 protects employees from things like harassment and discrimination only at companies with 15 or more employees. Nebraska's law was modeled to align with federal protections, but there is no good reason that employers with 14 or fewer employees should be free to discriminate against and harass their employees without penalty. I actually have a bill to address this, LB1029. Something about that bill, my office was contacted by several Nebraskans who have experienced harassment in their places of business, but don't have any right to make a claim under the Fair Employment Practice Act because they work for a firm that has fewer than 15 employees. So I would ask why does Senator Ben Hansen's bill, LB906, have a different standard than what is in our state and federal employment law for discrimination? Would Senator Ben Hansen yield to a question?

HILGERS: Senator Ben Hansen, will you yield?

B. HANSEN: Yes.

HUNT: Thank you, Senator Hansen. I have a bill, LB1029 that is coming-- I believe it's going to be in Business and Labor. Let me double-check. And what this bill does is it says that any employer with fewer than 15 employees, if one of their employees experiences harassment at work, they can still, under the, you know, fair employee treatment law, get restitution from their employer for that harassment. Yeah, it's going to go through Business and Labor and the hearing is next week. Is that a bill that you think you would support?

B. HANSEN: Sounds like something I could possibly support. I'd have to look at it a little bit closer and read it. Yeah.

HUNT: OK. Thank you,--

B. HANSEN: Yep.

HUNT: --Senator Hansen. Senator Hansen's LB906 having a different standard for employers than what is in our state and federal employment law, where in LB906, all employers, whether they have one

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employee or 15 employees, would be required to comply with LB906. But when we have laws that deal with anti-discrimination or racism or LGBTQ discrimination, the business has to have 15 or more employees for someone to even make a complaint. These laws were, as I understand, pretty much formulated with that 15-employee threshold because there were concerns raised about the ability of small mom-and-pop businesses to comply with the law. So why shouldn't the same thing apply here? I have a small business with five employees and it would be extremely burdensome for me to comply with the provisions of LB906 because if I lose one or two employees, I can't really keep my doors open. I actually think that our Fair Employment Practice Act should be reformed and revamped and changed to apply to businesses of all sizes. And this is something I've started talking with the Nebraska Equal Opportunity Commission about because there's some agreement that our law was poorly drafted and doesn't make a lot of sense from an enforcement standpoint. But I can't stand by something that gives this special exemption to employers for this nonscientific, based in nothing vaccine exemption that clearly puts other employees at risk when we don't even have protections for the rights of employees to not be harassed or discriminated against by, by their small employers. So basically, with LB906, we're telling Nebraskans that if you work at an employer, if you have a job with 14 or less employees, you don't have any legal recourse if your employer is harassing you and you're also going to be forced to be in a hazardous working environment. Let me say that again. Under LB906, with the way the law is in Nebraska right now, if your employer is harassing you, you don't have any legal recourse for that if you work with 14 or fewer people, if you work for a small business like mine, but you could be forced to work with somebody who is unvaccinated and refuses to get vaccinated, refuses to comply with, with COVID guidance, and that could put you in a hazardous working environment. How is that fair? The Nebraska Fair Employment Practice Act also prohibits employer conduct that contributes to a hostile work environment. I think that I and many, many other people would feel that going to work in close quarters with someone who is a biohazard and may potentially contribute to me contracting a potentially deadly disease, especially if I have an underlying condition, especially if I have other people at home in my family who are at risk of getting COVID-19, could constitute an environment that's hostile to my health. The big thing is that Senator Hansen has tried to keep this debate focused on some sort of fake neutral compromise. But what's really going on is that LB906 is about COVID denial, vaccine denial, science denial, and I am concerned about the, the standard that we're setting and the precedent that we're setting by passing something like LB906, especially if

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LB906 is going to apply to every employer, whether they have one employee or 15 employees, when that's not applied equally throughout the board on other laws. In Nebraska, if your employer is harassing you, you can only take action against them if they have 15 or more employees and that's a law that I'm seeking to change this year. Also, it's important to note on sexual orientation or gender identity or hair discrimination, that none of those things harm anyone else in the business or in the general public. If I love my partner who may be a woman, that doesn't harm other coworkers or customers. If there is a person of color who wears their hair in dreadlocks as-- in locks, it doesn't harm any other coworkers or customers. The difference with LB906 is that it actually involves harm to others. What if an employer has an employee or people at home who are immunocompromised or customers who are? And this is to say nothing of the right-- the conservative right's eagerness to regulate the free market when it comes to things like wages. You know, we say that government is never going to come between a business owner when it comes to what they want to pay somebody. I've introduced a bill several years in a row to raise the tipped minimum wage from \$2.13 an hour, which is currently the lowest in the entire country, and our tipped to wage hasn't changed since 1991. Since that time, we've increased the regular minimum wage, the standard minimum wage, nine times-- no, seven times, but we have a ballot initiative underway now to increase it again. And in all of that time, we've never raised wages for tipped workers. And when I talk to our colleagues about it, you know, would you raise it to \$3, would you raise it to \$5, would you support a bill to put protections in place against wage theft so that we at least know that tipped workers--

HILGERS: One minute.

HUNT: --are making up to \$9 an hour like they're supposed to? No, there is no support for that. So to say nothing of civil rights, proponents of LB906 support government intervention in private business when it comes to deadly diseases, I guess, and vaccine denial and things like that. But when it comes to things like collecting people's DNA who are innocent or protecting people who have natural hairstyles, predominantly black women who, who come to work and have an expectation of nondiscrimination just based on how they look and what their hair is like, of LGBTQ people who can be fired for being gay, of wages, you know, we, we say we're not going to control what, what an employer wants to pay people. The problem I have with LB906 is the hypocrisy and how we're picking and choosing where government is going to intervene in private business and what standard we're going--

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HILGERS: That's time, Senator.

HUNT: --to hold those businesses to. Thank--

HILGERS: Thank you for your opening, Senator Hunt. Debate is now open on AM1923. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. Well, I, I didn't know about LB1923 before Senator Hunt's opening. I just was looking at it. And I don't need to ask you a question, Senator Hunt, but I guess my-- I would just say-- you can correct me if I'm wrong-- this changes the-- so that LB906 would apply to the same-- at the same level as other laws apply, which is companies of over 15 employees. She's nodding her head yes, for the record. So I'm rising in support of AM1923 then, I think that sounds like a, a fair compromise, solution. The reason I pushed my light to get in the queue was I watched the news last night and coverage of the debate here and the, the news. Channel 7 in Omaha, which is the I believe ABC affiliate, had a story on the debate and quoted the floor debate where it said it's pretty much irrefutable truth now that vaccinated and unvaccinated people spread the virus and get infected the same [MICROPHONE MALFUNCTION] good job of journalism and they took that claim and they went [MICROPHONE MALFUNCTION] and that expert, who is a professor at the University of Nebraska Medicine and infectious disease expert, said in studies that have come out in the last month or two, roughly speaking, about 50 per-- it's about a 50 percent reduction in infection on people who get-- who are up to date on their vaccines. So essentially, what that infectious disease expert at the University of Nebraska Medical Center said is that vaccines are effective in preventing people from getting sick and from spreading the disease. So I think it's important that we make sure for posterity that the record here reflects that the science is clear. The experts at our own university, world-renowned research institution, medical institution, has said and has found studies that the vaccines are effective in preventing the spread and infection. And so I was sitting here and of course, looked up-- Douglas County has a very good COVID dashboard and keeps track of all the data, number of cases over time, but then also keeps track of breakthrough cases. So in Douglas County, the population that is fully, that is fully vaccinated, ages five and above: 376,179 people. Of those 376,179 people, there's been 34,684 breakthrough cases. In Douglas County, there have been 141,000 cases. So I didn't do the math on this, but that means there's about 100,000 people who have tested positive for COVID in Douglas County who are not vaccinated. There are-- based off of that-- the math of 373,000 people vaccinated, that means there are about 100,000--some people in Douglas County who are unvaccinated. So what that means is

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if you're vaccinated, your chances are about one in ten of contracting COVID. But in Douglas County, if you're unvaccinated, your chances are close to 100 percent that you will contract COVID. So that-- and this is my reading of this dashboard. This is not a peer-reviewed scientific study like the one that the professor was referencing or the doctor was referencing on the news, but those numbers demonstrate an-- the efficacy of the vaccine. So I know that we have gone to a point where we're talking about this is not about the science and the vaccine and the efficacy, but I think it's important for the record that we all recognize, we all understand that the science is clear. The vaccine-- the vaccines went through the standard procedure for approval through the CDC,--

HILGERS: One minute.

J. CAVANAUGH: --got emergency-use authorization, then subsequently got full-use authorization, have been tested, have been proven to be effective, have been proven to be safe, and they-- that there are people, fewer people getting sick. And this is not even to take into consideration that-- the decrease in the severity of the infection when somebody who does have a breakthrough case after being vaccinated, that there's plenty of data to show that. I can look that up and get back on the mike and talk about that later, but I think it is important to make sure that we keep-- we understand what we're talking about here in addition to the other issues. So I will push my light again, Mr. Speaker, and thank you.

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

HUNT: Thank you, Mr. Speaker. I don't think that LB906 is good policy and I don't think that it is a good candidate to be a priority and I don't think that we should be taking this much time on it when there's so many other things we can do. But Megan, you're taking all the time on it. Yeah, it turns out in here you have to take time on things if you want to stop them and I don't even know if I can stop LB906. It might have 33 votes, but somebody has to stand up and say that when we're passing a bill like LB906 to intervene in decisions private businesses and employers make based on somebody's opinion about settled medical science, a vaccine, but we won't intervene when it comes to civil rights or justice-- proponents of LB906 in the past have not supported bills to, to protect natural hairstyles. They haven't supported bills to protect LGBTQ people. They've supported bills to take people's DNA who are innocent. They haven't supported bills to, to raise the minimum wage and protect workers. So I think

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it's very inconsistent which workers we're protecting. When you look at who introduces bills like this, whether it's Senator Hansen with the anti-vax stuff or me with the LGBTQ stuff, people are introducing bills that matter to them, that align with their values, their experiences, what their constituents want and ask for. And all of those questions are valid, all of those priorities are valid, and they all deserve a conversation. In Nebraska, they all get a hearing if a bill is introduced. But LB906 is not good policy and to pass it would not be good governance for the reasons I've mentioned, but also for the reason that AM1923 seeks to address. So right now, LB906 only applies to businesses-- well, it applies to businesses with any number of employees. But when we talk about the federal employee protections act, that only applies to businesses with 15 or more employees and most of our state laws for anti-discrimination, for getting involved in private businesses, they're written exactly the same way; for 15 or more employees. Protections against employee harassment: 15 or more employees. Any time we're talking about any bill to enforce rights for a protected class, whether that's on race or gender or sexual orientation or whatever, typically, those bills will apply to 15 or more employees. LB906 applies to all businesses no matter how many employees they have. So what this does is it creates busy work for every employer. It creates busy work for the Department of Labor and DHHS. And to me, this is additional layers of government bureaucracy and it's coming from Senator Hansen, who believes he has this reputation, to hear him tell it, of being against government bureaucracy, of being against big government, of being in favor of the individual and individual rights. But then when you have this element of religion that comes into it, which again, there's nothing, you know, historically anti-religious about, about medical interventions to save somebody's life, get a vaccine, don't get a vaccine, that's still your choice whether LB906 passes or not. What I'm saying is that the way LB906 is written, it's inconsistent with other employer laws and employee protection laws that we have in Nebraska and for that reason, it's a bad bill. Even if you agree with the sentiment of it, which is aligning us with federal law, whatever,--

HILGERS: One minute.

HUNT: --the way LB906 is written is literally not good. It's because we're making policy based on emotion, based on political moods, based on what's popular at the time with the political base and not based on what actually makes sense for employers, employees, workers, their families, and the bigger public health picture that all of us have to live within. Thank you, Mr. President.

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

GROENE: Thank you, Mr. President. I want to make sure something is on the record for the folks listening and, and I've been-- we've been-- some of us have been getting emails from parents thinking this will help them when they're-- if the Biden administration comes with a child vaccine. I don't-- I wish they'd come up with a new term because it's not truly what we historically consider a vaccine. It's more like a flu shot. It's actually a COVID shot because remember, they don't call the flu shot a vaccine. They always refer to it as a flu shot for a good reason. It doesn't absolutely stop-- give immunity, which we have come to understand the true definition of vaccines. But anyway-- but this bill has nothing to do about your children and a mandate from the schools if the federal government comes up with a child vaccine. Neither does it have anything to do with what intentionally-- which I thought the bill would do when I cosigned it-- you'll see my name as a cosigner. I thought it was just going to deal with, with the COVID-19 shot and the ability of somebody with religious convictions-- originally, it was philosophical convictions or, or health issues-- that the employer shall give an exemption because right now, it's been very vague if an employee of a corporation could decide if your convictions were convictions or if-- and deny you that, that exemption. That's all this bill was intended to do, but now we're into mask. And Senator Cavanaugh pointed out that-- John Cavanaugh-- that yes, the experts agree. I agree, I agreed with the experts earlier-- yesterday, that anybody can contact [SIC] COVID, just like anybody who gets the flu shot can still get the flu and spread it. So it is, it is discriminatory to force those who have an exemption who do not have taken the vaccine to wear a mask and those who have gotten the vaccine but still can be carried-- carriers in the workplace to not wear a mask. This isn't science at all. Also, Senator Cavanaugh, you weren't clear on your numbers in Douglas County when you said 30,000--some breakthrough cases and 100,000--some unvaccinated cases. What was the date that those numbers started? Is the hundred and some 40,000 from day one back in 2019 where there was no such thing for a-- as a vaccine. I got COVID and there was no vaccine at the time. I know of two or three other senators who got COVID and never had a vaccine, but we are in those numbers if we lived in Omaha. So you're comparing two dates. Senator Cavanaugh, maybe you can correct me. What is the date that the start of your numbers is? Is it pre-- does it include pre-vaccine dates or does it start after the vaccine? Senator Cavanaugh, would you take a question?

HILGERS: Senator John Cavanaugh, would you yield?

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J. CAVANAUGH: Yes.

GROENE: Did you hear the question?

J. CAVANAUGH: I heard your question. So I think you are correct, Senator Groene, that those numbers do include pre-vaccination dates.

GROENE: Thank you.

J. CAVANAUGH: I would--

GROENE: Thank you. So that's a biased number. It's a biased number. There's a hundred some thousand or more of that probably pre-vaccine that have tested positive. And since the vaccine has come out, who tests-- who do we test? Those that are not vaccinated, those who have been vaccinated, get a runny nose. They assume they have the cold and they might so they don't run and get vaccinated. The numbers are twisted and I'm very disappointed with my UNMC who supposed to represent the folks and refuses to come out-- Mr. Rupp refuses to come out and say yes, if you have the vaccine, you can conduct [SIC] COVID and you can spread it. Don't talk about 50 percent efficiencies. You don't know that. You do know the facts, that people who have been vaccinated can get COVID and they can spread it. That's the facts. This bill is not good. It does nothing but puts it into statute powers to--

HILGERS: That's time, Senator.

GROENE: Thank you.

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

M. CAVANAUGH: Thank you, Mr. Speaker. Good morning, colleagues. I rise in support of AM1923 and I appreciate Senator Hunt bringing this amendment to the bill because I think it's really important that we are consistent, especially when it comes to our employment law. And I'm really enjoying this conversation this morning because we've got Senator Groene talking about discrimination in the workplace and I'm, I'm here for that. In 2020, Senator Groene voted against my hair discrimination bill, but maybe he's had a change of heart about what it means to be ostracized in the workplace if he feels that a face mask is ostracizing. So I'm glad we're having this conversation and our employment laws should be consistent. So raising this to 15 or lowering who has to follow our employment laws, I mean, pick one or the other, but let's not be inconsistent in, in how we're treating

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employers and employees. Twenty-seven people voted for the hair bill in 2020 and I'm guessing that a large majority of the 21 people who did not vote for it are voting for this. Worried about employers or employees for this, not decades of systemic racism, but a vaccination. And the flu shot is a vaccination. It's the flu vaccine. It's-- that is its actual name. When you go to the doctor's office, you are getting the flu vaccine. My kids have to get the flu vaccine and have that on their medical records. It's not-- I mean, it is a shot. That is how it is delivered. Actually, now it's not necessarily. They have a nose spray as well, but it is the flu vaccine. That is an important thing to keep in mind. And the flu vaccine, just like the COVID vaccine, is not 100 percent efficacy. That would be a really spectacular development in science if we got to 100 percent efficacy in all of our vaccines. Vaccines are just another layer. As the doctors at UNMC call it, Swiss cheese: mask is a layer, vaccine is a layer, social distancing is a layer. You have enough layers of Swiss cheese and those holes start to close up. So I am definitely going to vote for this amendment because I think while I'm not in support of the bill itself, I do think it is important that we strengthen legislation if we're going to move it forward. And I think that this amendment does that, it creates consistency. I've looked at some of Senator Hunt's other amendments that are pending and I'm not certain about those, but this one, I am 100 percent behind and I look forward to the opportunity to adopt this onto LB906. I would encourage everyone who feels so strongly about employers and employer rights and the burdens of employers to take a look at this. Because when I went around and talked to 21 of you in 2020 about my hair bill, you were really concerned about what that was going to do to employers, especially small employers. And the same thing was true when I talked to you in 2019 about Senator Crawford's paid family leave bill, which was my priority that year, how it was going to impact employers. And today we seem to be disregarding those same concerns--

HILGERS: One minute.

M. CAVANAUGH: --about employers. So I would really ask people to look at how you voted in the past and maybe look for some consistency. If you think that it's a burden for all of these things, for employers under 15 people to do when it comes to employee rights, then this should be no different. Thank you.

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

J. CAVANAUGH: Thank you, Mr. Speaker. Well, I appreciate Senator Groene's question and-- about the date in which we began recording information about COVID cases. And I do think it shines a light on the fact that we-- when it comes to making these sorts of decisions and evidence-based decisions, we should make sure we have accurate information. The point, though, is-- and Senator Groene pointed this out-- that those numbers, 141,099 positive cases, includes going back to pre-vaccine availability, which means all of the people who got the COVID before the vaccine existed were not vaccinated so they fall into the category of not being afforded the protection of the vaccine. The 34,000 cases of people who have been-- had contracted COVID since then that had breakthrough cases, those were of the 370,000 people who have been vaccinated. So I think that it's still pretty clear, even though you can't get down to the granularity of when those individual cases happened, that it is clear the vaccine has afforded protection to the 350,000 other people who are vaccinated. But the reason I got up was to finish the conversation about breakthrough infections. So the CDC has an explainer where they talk about what we know about vaccine breakthrough infections. Vaccine breakthrough infections are expected, as Senator Groene pointed out. And as Senator Machaela Cavanaugh pointed out, no vaccine is 100 percent effective. The flu vaccine is, is considered to be 80 percent effective, which means that it is expected that one out of every five people who get the flu vaccine would contract the flu if they were exposed. So the, so the COVID-- the breakthrough infections are expected, but the COVID vaccines are effective at preventing-- preventing most infections. However, like other infections, they're not 100 percent effective. Fully vaccinated people with vaccine breakthrough infections are less likely to develop serious illness than those who are unvaccinated and get COVID. Even when fully vaccinated people develop symptoms, they tend to be less severe symptoms than is in unvaccinated people. This means they are very-- are much less likely to be hospitalized and die than other people who are not vaccinated. People who get vaccinated-- vaccine breakthrough infections can be contagious. So what it's saying there is not only do vaccines protect you from infection-- but they're not perfect, they're better than no vaccine-- but they protect you from serious infection, which helps our hospital rates, which obviously are starting to go down right now, as we can see from the data that's actually being collected and reported. But when we had those high hospital occupancy where we had problems, the hospitals were full of people in ICUs on ventilators. The, the higher percentage of those people were people who were not vaccinated. There were people who were getting COVID that, that were vaccinated. There were people who were becoming hospitalized. But if you look at the data, you can see that

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more people were being hospitalized who were unvaccinated, more people were on-- in the ICU who were unvaccinated, and more people were on ventilators who were unvaccinated and they represent a smaller percentage of the population. Seventy percent of people are vaccinated, yet more than half of the people in the hospital are unvaccinated. That simple math tells you that there is a disproportionate representation of unvaccinated people who are putting a strain on our medical system in this state, in this country. And what that tells you is vaccines are effective at not only preventing infection, but in preventing serious infection, requiring hospitalization and medical intervention. So they are successful. It is important that we focus-- that we understand that and we recognize that going forward as we have this conversation. People still are entitled to make their choices. It is important how we consider how people, people make those choices and where we interject ourselves into that conversation,--

HILGERS: One minute.

J. CAVANAUGH: --but when you have that conversation, it should be based upon fact, reason, not speculation, not half-truths, not things that, that you want to be true. It should be based on what the data and fact reflect and show and not what we hope it shows and not what we want the outcome to be. It is inconvenient to wear a mask. I keep-- I continue to do it because I care about my family and my friends and I want to make sure that they don't get infected by my exposures. I got vaccinated because I wanted to be secure and safe and I, and I believe that the data is clear, but that was my choice and I did it. But other people do not have to do that, but they do have to bear the consequences of those decisions. And that's the conversation we're having here today, but we should have it in the context of the truth and the facts and the science. Thank you, Mr. President.

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

HUNT: Thank you, Mr. Speaker. Is this my third opportunity?

HILGERS: This is your second--

HUNT: OK.

HILGERS: --but you have your close remaining.

HUNT: Thank you. The problem to me with the state of the Legislature now is that we want to be experts so bad. Not only do we not know what we're talking about, but we're introducing and debating and elevating

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policy that we have absolutely no expertise in. We're talking about, you know, something around healthcare introduced by somebody who has spread misinformation about healthcare. Last night, we heard a bill that would infringe on a school board and a school's ability to teach comprehensive sex education when doctors and medical professionals and teachers are telling us this is not something they want. Constantly in this Legislature, we are overstepping our role as lawmakers and channels for good policy to flow through that serve the people. And instead, we're taking our political opinions, putting it into policy based on the whims of, you know, whatever the loudest people want in the moment, and completely stepping on the experience and the research and the knowledge of the people who actually study this for a living. The only thing that we should be doing is following the science and following the experts. And to help the people of Nebraska, we only need to look at the public health experts that we have right here in our state. They have the experience. They know the science. Our leaders at UNMC and Nebraska Medicine know all about this. They are world-renowned leaders in infectious disease and virology. They led the fight on Ebola, on Zika, on SARS, but we have never fully trusted their guidance on COVID-19. Why is that? Because it's politicized for no reason. Colleagues, COVID-19 has not turned into a public health crisis. It's turned into a political crisis. What we need to do is have an evidence-based approach to public health all the time. We need to put science ahead of politics and we need to unleash the voices of scientists and doctors and experts in our public health fields and put them in front of us as leaders in this crisis and not legislate based on our opinions or based on what the loudest people are asking for. And that, to me, is really what has contributed to the degradation of this body, of this institution. I don't know what's going on with some of our colleagues, but we are losing, you know, very experienced, very knowledgeable figures in this Legislature, whether that's staffers or people who have worked in Bill Drafting for a long time, senators. People are opting out of this system and I think that bills like LB906 is one of the reasons because it's literally unserious. It's unserious work and it's beneath the dignity of what we should be doing in here to serve the people, plainly. Not only is it not following science and expertise, it's us putting our political opinions ahead of that because we want to be the experts in everything. And the way LB906 is written, it's not even consistent with other employment law that we have in Nebraska. If you open the employment law statutes, which of course, the introducer is the Chairman of Business and Labor-- based on his expertise in employment law? No. Based on his respect for the individual rights of employers? No. Based on his respect for the

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institution? Certainly not. The introduction of this bill is purely political and even the language of the bill--

HILGERS: One minute.

HUNT: --is not aligned with other employment law that we have. That's why I introduced AM1923. If this must pass, I'm glad AM1923 got up on the board before we take a vote because what this amendment does is it aligns LB906 with other employment law that we have in Nebraska by saying only employers with 15 or more employees will have to comply with LB906. Thank you, Mr. President.

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

MOSER: Good morning, colleagues. I haven't spoken on this bill so far. I thought that the debate pretty well covered all the aspects of the merits of the bill. To me, the bill is a response to citizens who are concerned about government forcing citizens to get COVID shots. And you know, I've got COVID shots. I've had my booster. That was my choice, but I don't think government should force you to get vaccinated. So I think that's the, the impetus to the bill. But along the way, I think the bill has gotten watered down somewhat to the point where it's more symbolic than functional. But still, the basic principle, you know, I support and I support the bill. But one thing that in this discussion that really made me stand up to speak is the information that some senators have brought up about the efficiency of the vaccine and that-- they bring up all the complications and they bring up the times when the vaccine failed. But the vast majority of respectable medical professionals support vaccines and most of them have gotten vaccinated and boosted. You can't-- this has gotten so political that a lot of people are searching for that one 10 percent section of medical people that oppose vaccines. I mean, there was a commercial for toothpaste that said, you know, nine out of ten, ten dentists recommend that you brush your teeth. Well, what about the 10 percent that don't recommend you brush your teeth? You going to listen to them? You know, they did a survey not too long ago about how many people believed that Elvis was really dead. And if I remember correctly, it was around 20 percent thought it was some government plot that, you know, Elvis was still alive somewhere, and he, he-- the government was served well by promoting the idea that he died when he was really alive. And I like Elvis. I don't-- but I'm pretty sure he's dead. So getting back to the sensible, I think, idea of getting vaccinated, you know, I've talked to a lot of medical professionals and the vast majority of them, at least as many that recommend you brush your teeth, agree that you should get vaccinated. And, you know,

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because of the politicization of this issue, it's created a lot of lost motion in the process. I've got family members that are doctors. One of them has a Ph.D. from SLU, St. Louis University, in microbiology and, and they recommend that, that our family got vaccinated and, and they're vaccinated and boosted. And all of you out there listening, you know, you make your own decision, but to protect yourself, I think being vaccinated is, is important and I think it does help you. It may not-- I mean, I know-- I've known breakthrough cases myself, but the vast majority of people-- of medical professionals recommend it. And you know, you got to take some of this advice with a grain of salt. Do your own research and I don't mean by that look around for websites--

HILGERS: One minute.

MOSER: --that support your theory. Go to, to medical websites and, and read the information and, and make your own decision. Don't base it on, you know, what you see from the talking heads on the nightly news channels. Talk to people who are in the business and really understand what's going on. And some of this will be settled out in the future, you know, but let's hope we all live long enough to come to that point in harmony where we can all agree. Thank you.

HILGERS: Thank you, Senator Moser. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good morning, colleagues. And thank you to Senator Moser for, for that point and for those comments. I had initially wanted to talk about again, kind of the point about the flu vaccine. Colleagues, let's not fall over terminology or kind of how we anecdotally refer to things such as the flu shot thinking that's some sort of medical term denying its vaccine status. It's very clear. Ask a doctor, look at the CDC's website. It's-- everybody refers to it as the flu shot as opposed to the influenza vaccine because that's just how we talk about things, but that's what it is. It's a vaccine for influenza. Just the same as the COVID shot, COVID vaccine is a vaccine. Like, that's the point of what it is. It is a, you know, preventative measure to build up your body's immunity. That's, like, the concept of a vaccine. And I just want to remind everybody again, kind of to the point where Senator Moser was just making of, you know, I've missed some time in the Legislature. I've had a couple of doctor's appointments and things so far this session. And every time different people, different offices, first and foremost, like, you know, regardless of what issue you're going in for, the number one thing they feel that I could have done for my

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health was be vaccinated and boosted. And when I tell them that I got vaccinated as soon as I could, got boosted as soon as I could, they are so relieved. And again, this is multiple people in multiple offices of multiple credentials and multiple specialties. These are actual doctors who are treating me and my family. This is what they're number one-- like, regardless of what you go in for, you know, do you have a COVID vaccine? Are you wanting to get one? That is the perspective that you're actually getting from day-to-day medical providers here in Lincoln, here in the state of Nebraska. Colleagues, I didn't want to talk more on this bill. I just-- I find this debate frustrating because I do agree with that this bill has gotten to the point where it's largely symbolic. I don't think it does much other than kind of restate the federal guidelines right now so there's kind of no harm, no hurt. But for me, the harm is sometimes the misinformation that is being shared on this floor, including now, as just this morning we've crept over from spreading misinformation about COVID and COVID vaccines to spreading, spreading misinformation about the flu and flu vaccines. And I worry that by enabling and encouraging this type of debate repeatedly, we are going to be contributing to the misinformation that's ultimately going to harm the health of our constituents, that they are going to see something on the news, they're going to see a clip of one of us, you know, being very vocal about not believing the science, not trusting doctors, accusing doctors of lying and not trust their own doctors on something that has been, like for the flu vaccine, commonplace for years, my whole life. I-- honestly, I couldn't even tell you when the flu vaccine started and we don't-- I-- at least I don't want to creep any of that doubt into the public, into people's minds because we know that if you walk into your doctor's office, go to your primary care physician, go to, you know, any sort of clinic and just ask, like, should I get a vaccine? Like, I can guess what answer you're going to get. And I would encourage anybody who is at home genuinely on the fence or hasn't been vaccinated or maybe you got vaccinated initially and you haven't been boosted, like, call and talk to your doctor about it. Call and talk to someone at your provider about it. And I can guess how that conversation is going to go. You're going to be encouraged to, to get it done and they probably will be very happy that you're inquiring and probably very happy to lead you to the information that you want. But for us as a Legislature to start saying that some of the stuff just simply isn't true, to accuse medical professionals of hiding science or lying to yesterday, somebody completely discounted the CDC as an organization,--

HILGERS: One minute.

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M. HANSEN: --I don't know how our constituents are supposed to make informed medical decisions for themselves, which is apparently the stated intent of LB906, individual medical choice, when we, as this Legislature, or many of us in this body are willing to just kind of say things that are flat-out medically untrue with such bravado and such confidence. I-- colleagues, let's-- I hope we'll stop doing that. And people of the state of Nebraska, seriously-- like, at this point, don't listen to us on medical issues. Like, call your doctor. That's, like, the best advice I could provide after having to listen to this debate for a couple of days now. Like, talk with an actual local medical professional and get some good perspective. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. Speaker. I wanted to rise not really on this bill, but it kind of relates to this bill and the conversation around this bill about body autonomy and, you know, not allowing people to put stuff in your body or take some of your biological information. So yesterday I came across an article. The title: victim's rape kit was used to identify her as a suspect in another case. This happened in San Francisco. This is what happened. DNA samples collected from victims of sexual, of sexual assault are being used by the San Francisco Police Department to identify them as suspects in other crimes. The San Francisco District Attorney charged this week, adding that he would encourage legislation to ban this practice. Victims of sexual assault whose DNA are used in these-- in this way are being treated like criminals, says the district attorney. I bring this up because we moved forward a DNA bill that is going to have unintended consequences and it's not out of the realm of thinking for me to see the Omaha Police Department use a victim's rape kit to identify them in another situation. We have to think about stuff like this when we push forward legislation that many people in this body stood up for hours saying this would have unintended consequences. Just imagine being a rape victim and you're seeking to get justice, but instead of getting justice, the police seek to try to charge you with another crime using your DNA, which could happen. And then they could use your DNA, which is stuck in a system that still no one has really explained to me how do you get it out of the system, the federal system, to be exact? We have to think about stuff like this. This is what I would call government overreach and intrusion, but too many people are comfortable with just passing along their DNA or saying, oh, this person got charged with a crime. It shouldn't matter. They should just give up their DNA. And that's not, that's not right. You know, once a

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person is convicted of a, of a crime, then their DNA could be collected, but it shouldn't happen just because I'm accused of something that the Omaha Police Department can just take my DNA. And I would feel bad for any victim of sexual assault to be subjected to this by the police, but it's not out of the realm of thinking because, according to this article, it is widespread. And the way the police operate in this state, I wouldn't be surprised if it happened here. And that's just something we have to think about when we're thinking about whenever that DNA bill comes back up, passing it along because it's going to have unintended consequences that we really need to think about. Thank you.

HILGERS: Thank you, Senator McKinney. Senator Groene, you're recognized.

GROENE: Thank you. Thank you, Mr. President. Just to correct the record again to what Senator Machaela Cavanaugh said about her hairstyle bill. Last year, Senator McKinney brought a better bill and that's how we say we make sausage around here. We run things through the grinder a few times. Maybe it might take a year or two, but a good bill finally comes out that we can support. I supported Senator McKinney's hair bill, on-the-job styles, last year. You can look up the Final Reading vote. If you notice here, Nebraska, the difference between political views of what government does. Senator Erdman stood up. I stood up. A few others have stood up on these issues. Not once did we ever try to tell you what to do, that you should do this. I encourage you to do that. You're a fool if you don't. You're harming other people if you don't do this so you better do this. We're telling you what to do. That's the difference of viewpoints between those of us who support people and those of us who support government. It's your decision to do whatever you want with your healthcare. It's none of my business. I don't know-- want to know what you did. I don't care if you took the shot or not. If I didn't take the shot, which I didn't because I have natural immunity-- I don't care if you spit in my face. I do because you insulted me, but if accidentally you do, I will live with that in a conversation. It's who I am. But I'm not going to tell you to wear a mask in front of me. I'm not going to tell you to go get a shot. I'm not going to tell you to go get-- lose weight. I'm not going to tell you to quit drinking. It's called America. It's called freedom. And this thing about vaccines just absolutely baffles me. You take a vaccine to protect yourself. That's what it's supposed to do. I think I've only had one-- because of my age and availability of vaccines, I think I've only had one and that was polio. That was to protect me. You take a vaccine to protect yourself. Why do you fear your neighbor if you've been vaccinated? Why do you think your

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neighbor should wear a mask if you've been vaccinated? That is a quandary I cannot figure out in the human thought process in, in this body or across the nation right now. What's going on in America? You know, this reminds me, it's the same mental thinking that in 18-- 19-- 16s-- 1900s, the temperance movement, the, the prohibition movement. I'm going to force other people to do something because I believe it. Is that America? Is that Nebraska? I really don't like this bill. The original part about the "shall" I do believe in, shall give the exemption, but we're putting in here bill-- that we're agreeing with everything Biden did. That amendment the other day agrees with what Biden did on his executive orders. It says we have to enforce-- do everything-- rules and regulations of the CDC. Since when did the CDC do rules and regulations? They do recommendations. I understand they do some rules, like if there's an infectious-- Ebola, for example, when people from certain countries, they could have a rule that says those people cannot come into our country until we figure out the Ebola infection. But we're putting into our law if any rule or regulation comes down the road in the, in the future from a, from an adversarial CDC politically to the beliefs of Nebraskans--

HILGERS: One minute.

GROENE: --we got to follow it. Our Attorney General can't fight it because we put it in our statutes. This bill is bad. Think about it. We're not voting for another senator because he's a nice person. We're voting for what affects Nebraskans into the future. This bill has been compromised by too many people in the room and not enough citizens, too many organizations in the room, too many corporations, too many government agencies in the room and not enough citizens when this thing was negotiated and compromised. It's a bad bill. It's totally a bad bill. Thank you.

HILGERS: Thank you, Senator Groene. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. President. Good morning. I wasn't intending to speak this morning. We have till 10:20, I believe. So I thought I should look and see if I can find information about the real story of what vaccines do or the shot. And so the question I had is how effective is the COVID shot? So I did a little research and I found the country of Denmark has a very significant number-- a percentage of people in their country that have been vaccinated. Well over 90 percent of everybody over 12 years old has been vaccinated. Denmark has less than 6 million people. That's one-sixtieth of the amount of people that are in the United States. Nearly every adult has been vaccinated with the Pfizer vaccine and that is supposed to be the

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world's gold standard when it comes to vaccines. So half of those 90 percent have been boosted-- had the booster shot. On Wednesday, Denmark reported 28,000 COVID infections, equal to 1.7 million people in the United States. The figure, the figures are similar in the United Kingdom and all of Western Europe. Many of the countries have 90 percent of their adults have been vaccinated and boosted and they are now in the midst of an epidemic of COVID that dwarfs any that came before. The vaccines sure seem to have failed. The reality is they failed terribly. The data from the several countries show clearly that the infection rates are higher in vaccinated people than those who are unvaccinated. Iceland has 91 percent of their population has been vaccinated and 50 percent have been boosted-- its population for everybody in their population over 12. So it's absolutely sure that those people that have been vaccinated are getting COVID, even though they've been vaccinated and boosted. And so we call it a vaccination. So in a couple or three months, that protection runs out. And besides that, those vaccines that were supposed to give you protection against COVID-19 on the Omicron are not effective at all. And so these people are in-- getting infected with COVID and they are spreading that. And those countries are a great test to see how much is this vaccine-- supposed vaccine really helping us? And so if you go and do the research yourself, as Senator Moser said, don't listen to the talking heads on TV at night. Go look it up for yourself. Those--- that information is readily available to find out what the other countries have done. And so we in this body aren't concerned about facts. And don't confuse me with the facts because I believe what I believe and there's nothing you can say to change that. But the point is this: this is a shot. It's not a vaccine and whatever they're doing doesn't help against the Omicron. That's why people are getting infected and spreading COVID. And we don't pay any attention to those people who have been supposedly vaccinated and have antibodies, which they don't have in the long term. We don't worry about those people. Senator Groene mentioned that. And so those people who have been vaccinated don't have to wear a mask and they very well be spreading the virus. And so we have gotten off into a rabbit trail here, but most importantly, we have put our hope and our confidence in something that doesn't work. And so this bill is different than when it started out, as Senator Groene alluded to.

HILGERS: One minute.

ERDMAN: It's not nearly as significant as I thought it would be, but it is what it is. And if you need information on what I've just shared about the, about the information on the effectiveness of the vaccine, stop by and I'll show it to you. Thank you.

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HILGERS: Thank you, Senator Erdman, Mr. Clerk for a motion.

CLERK: Mr. President, Senator Ben Hansen would move to invoke cloture on LB906 pursuant to Rule 7, Section 10.

HILGERS: It is the ruling of the Chair that there has been a full and fair debate afforded to LB906. Senator Ben Hansen, for what purpose do you rise?

B. HANSEN: Call of the house, please. Roll call vote.

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.

CLERK: 9-- 20 ayes, 1 nay, Mr. President, to place the house under call.

HILGERS: The house is under call. All unexcused senators, please return to the floor and check in. All unauthorized personnel, please leave the floor. The house is under call. Senator Hilkemann, please check in. Senator Groene, please check in. Senator Linehan, please check in. Senator Moser, please check in. Senator Wayne, please check in. Senator McCollister, please check in. Senator Wishart, Senator Lathrop, Senator Stinner, please return to the floor. The house is under call. Senator Hansen, we're waiting on Senator Wishart. Would you like to wait another couple of minutes or proceed? All unexcused senators are now present. The question before-- the first vote is the motion to invoke cloture. A roll call vote in regular order has been requested. Mr. Clerk, please call the roll.

CLERK: Senator Albrecht voting yes. Senator All-- I'm sorry, excuse me, Senator Aguilar, forgive me, voting yes. Thank you. Senator Albrecht voting yes. Senator Arch voting yes. Senator Blood voting no. Senator Bostar. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator Dorn voting yes. Senator Erdman voting yes. Senator Flood voting yes. Senator Friesen voting yes. Senator Geist voting yes. Senator Gragert voting yes. Senator Groene not voting. Senator Halloran voting yes. Senator Ben Hansen voting yes. Senator Matt Hansen not voting. Senator Hilgers voting yes. Senator Hilkemann voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Kolterman voting yes. Senator Lathrop voting yes. Senator Lindstrom

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voting yes. Senator Linehan voting yes. Senator Lowe voting yes. Senator McCollister voting yes. Senator McDonnell voting yes. Senator McKinney not voting. Senator Morfeld. Senator Moser voting yes. Senator Murman voting yes. Senator Pahls voting yes. Senator Pansing Brooks voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Stinner voting yes. Senator Vargas. Senator Walz. Senator Wayne voting yes. Senator Williams voting yes. Senator Wishart voting yes. 38 ayes, 3 nays, Mr. President, to invoke cloture.

HILGERS: The motion to invoke cloture is adopted. Members, the next vote is on the adoption of AM1923. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Please record, Mr. Clerk.

CLERK: 7 ayes, 28 nays on the adoption of the amendment.

HILGERS: The amendment is not adopted. The next vote is on the advancement of LB906 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.

CLERK: 36 ayes, 2 nays on the advancement of the bill.

HILGERS: LB906 is, is advanced. I raise the call. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Banking Committee, chaired by Senator Williams, reports LB1092 and LB1215 to General File with amendments. Urban Affairs Committee reports LB915, LB998, LB1189, LB1253 all to General File with committee amendments attached. All signed by Senator Wayne. Enrollment and Review reports LB592, LB685, LB708, LB754, LB758, LB892. All reported correctly engrossed. I have a hearing notice from the Revenue Committee signed by Senator Linehan and an amendment to LB1149 by Senator Friesen. That's all that I had, Mr. President.

HUGHES: Thank you, Mr. Clerk. Proceeding to the agenda, next item.

CLERK: Mr. President, LB700. Senator McKinney, I have Enrollment and Review amendments, first of all, Senator.

HUGHES: Senator McKinney for a motion.

McKINNEY: Thank you, Mr. President. I move to adopt the E&R amendments to LB700.

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HUGHES: Colleagues, you've all heard the motion. All those in favor say aye. Opposed. Motion carries.

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

HUGHES: Senator McKinney for a motion.

McKINNEY: Mr. President, I move to advance LB700 to E&R for engrossing.

HUGHES: Colleagues, the motion to advance LB700 to E&R for engrossing. All those in favor say aye. Opposed nay. LB700 advances. Mr. Clerk, next item.

CLERK: Mr. President, LB939. It's a bill offered by Senator Linehan. It's a bill for an act relating to revenue and taxation. It changes individual income tax rates. Introduced on January 10 of this year. At that time, referred to the Revenue Committee. The bill was advanced to General File. There are committee amendments and I have amendments to those committee amendments, Mr. President.

HUGHES: Thank you, Mr. Clerk. Senator Linehan, you're welcome to open on LB939.

LINEHAN: Thank you, Mr. President, and good morning, colleagues. LB939 begins the reduction in the top individual rate, which is currently at 6.84 percent. The top rate kicks in at \$33,180 of taxable income for single filers and it's \$64,340 for married filing joint filers. That top rate has not changed since 2002 when it was increased from 6.68 percent. In 2012, the legislation was introduced to reduce all four brackets. It passed, however, not before an amendment was adopted to keep the top rate at 6.84. And the pages are passing out a chronology of the rates and you will see in the yellow highlighted in January 1, 2013, we dropped three of the four rates, but left the highest rate at the highest rate. It's time to reduce the top individual rate. LB939 will do this over a fairly quick period of only three years, beginning in tax year 2023. In 2023, the rate will be 6.34 percent; tax year 2024, 6.14 percent; and tax year 2025, 5.84 percent. This, this doesn't make us, like, the state to fly to as far as taxes are concerned, but it sets us in the right direction. We are simply not competitive with surrounding states when it comes to our taxes. South Dakota and Wyoming have no income taxes, none. Colorado, Kansas, and Missouri have lower rates than we do and Iowa, our only neighboring state with an individual rate higher than ours, is in the process of reducing their top rates below ours. Benefits from reducing the

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individual rate: it makes Nebraska more competitive for the workforce that we're desperately trying to recruit. We get more better rankings in all the reports that people can access on taxes. It helps attract more businesses and more talent. It allows taxpayers to keep more of the money they make. So we, we're in a situation which is fantastic. We have \$1 billion or almost \$1 billion in our rainy day fund. We have met all our budget needs and have a lot, hundreds of millions of dollars above that and probably more when the Forecasting Board meets this month. So if we are collecting too much money from people, we need to send it back to the people. We have-- I don't know how we can think it's OK to keep significant more sums of people's money-- it's their money, not ours-- than we need. I would go to the amendment now.

HUGHES: Thank you, Senator Linehan. As the Clerk stated, there are committee amendments from the Revenue Committee. Senator Linehan, as Chair of that committee, you're recognized to open on the amendments.

LINEHAN: Thank you, Mr. President. AM1780 is a white-copy amendment and becomes the bill, LB939. As amended, was advanced to General File on a 5-1-2 vote of the Revenue Committee. The amendment includes a reduction in the individual income tax rates as I just reviewed and the amendment contains revisions of the green copy of LB938. It continues the reduction in corporate income taxes that was started last session as LB432. As you may recall, LB432 was amended on the floor to slow down the reduction in the corporate income tax rate while we waited to see if the state was fiscally sound enough to continue the reduction. Well, here we are and we are fiscally sound enough, so it's time to continue the reduction in the top corporate and individual tax rates. AM1780 will reduce the top individual rate, as I said previously, to 5.84 percent by tax year 2025. It will reduce the top corporate rate from 7.81-- very high-- 7.81 to 5.84 by tax year 2026. Tax year 2022, it would be-- corporate rate would be 7.5; 2023, 7; 2024, 6.5; 2025, 6.14; 2026, 5.84. The rate for the first \$100,000 of taxable corporate income remains at 5.58 percent. The overarching goal of AM1780 is to reduce our top marginal tax rate for both corporate and individual income taxes to 5.84. Achieving this will do several things for the state of Nebraska. It will create parity between corporations and flow-through entities. It will make Nebraska more contet-- competitive. Better ranks-- rankings make us more attractive. Better rankings helps attract more businesses and more [INAUDIBLE] talent to fill jobs. It will allow taxpayers to keep more of the money they make. This has a multiplier effect when residents spend this extra money in the state. If corporations have less income tax to pay, some tax incentives will go unused. Colleagues, I would appreciate your support to move LB939 as amended

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to Select File and I am happy to answer any questions. I know we're going to have a robust debate on this, but I'll just go back to how you can tell middle-income Nebraskans-- and I've heard the ads that it's only for the rich. It's just not true, folks. Look at the sheet I handed out. At the bottom, it tells you when the top rates kick in. Number four at the bottom of the page, I didn't highlight it, but it's the first kind of paragraph at the bottom-- married filing jointly, over \$66,360. You can't raise a-- that is not rich, folks. The idea that that's rich, it's ridiculous. That, that means two school teachers are rich. That means an electrician and a-- his wife working part time is rich. That means that a policeman married to a nurse is rich. They're not-- head of a household, \$49,200. That means a single mom, maybe she's a teacher who has been teaching for two or three years-- or excuse me, ten years-- she's rich. She's not. Single, over \$33,180. Really? That means teachers starting at \$43,000, we're saying they're rich. This is not about the rich. Frankly, we do pretty good with our incentive package and other things in our tax code for the extremely wealthy and we need to because we need to keep them in Nebraska. This is a tax cut for middle-class families who are trying to buy a house in an extremely competitive market, cost of living going up, gas prices going up, daycare \$1,000 a month. This is what this conversation needs to be about: your neighbors, your constituents. It's a middle-class tax cut. Thank you, Mr. President.

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

CLERK: Mr. President, Senator Linehan would offer AM1820.

HUGHES: Senator Linehan, you're recognized to open on your amendment--

LINEHAN: It--

HUGHES: --to the committee amendments, LB-- AM1820.

LINEHAN: It's a placeholder. Thank you.

CLERK: Does that mean you want to withdraw it, Senator?

LINEHAN: No.

CLERK: Well--

HUGHES: You waive opening on AM1820?

LINEHAN: Yes.

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HUGHES: Very good. Colleagues, debate is now open on AM1820. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. Colleagues, I stand in strong opposition to LB939. Senator Linehan says that it's a middle-class tax cut, but this is obscuring the reality that it's also a tax cut for millionaires. It's also a tax cut for billionaires. It is not time, as she said, to decrease taxes on top earners in Nebraska. It's time to add more tax brackets in Nebraska and increase taxes on people with an income of more than \$1 million. This sheet that Senator Linehan handed out that shows how much you have to be earning to be in the tax-- top tax bracket in Nebraska, married filing jointly, over \$66,360. Single individuals or people filing separately-- that would be me-- \$33,180. So no, that's not a rich person. That's certainly a middle-class or a working class person, but to say that we're going to cut taxes on those people, you know what? You're getting a lot of other people in the net with that group too. And these are not people who need tax cuts and they're not people who are struggling to pay their taxes either. The highest income tax bracket in Nebraska starts at \$33,180 and we need the people to learn this in Nebraska so we can gather the will to create new tax brackets instead of just continuing to lump in these middle-income earners with top earners like Governor Ricketts and his family, who pay people to show them every trick in the book to avoid paying as much taxes as possible. The Ricketts family has literally said this in interviews that the goal they have is to pay as few taxes as possible. So what I think we need to do, it's not time to reduce taxes on people like Governor Ricketts, it's time to increase taxes on them and diversify our tax brackets so that those people who are earning \$33,000 a year, the people who are, you know, a home of two teachers or an electrician, people who are not rich, that we're not funding all of the services that government provides on their backs. Because these aren't the people who have, you know, fancy tax preparers. These aren't the people who can pay experts to find tax shelters and get residents in Wyoming and figure out how to evade as many taxes as possible. Senator Linehan says this allows taxpayers to keep the money they make, which taxpayers? Millions and-- millionaires and billionaires and middle-income people, but what this bill is not doing is solving the actual problem that we have of taxation in Nebraska. It allows taxpayers to keep the money they make, which taxpayers? It sends the money back to the people, which people? Senator Linehan says that we're not competitive with other states that have lower tax rates on their top earners and people bring up rankings all the time, like anybody decides they're going to move to Nebraska because we're ranked something in U.S. Weekly or, you know, Bloomberg

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or some poll or something. No, people decide whether or not they want to move to Nebraska based on things like what are minimum wages, what types of resources we have for homeowners, what types of jobs we have, if we've fully banned abortion, stuff like that is what actually matters to young people and young professionals and families that are thinking about where they want to live and where they want to work. Passing LB939 is not going to result in a rush of new people moving into Nebraska. It's not going to do anything to attract and retain talent the way that actually offering people a great place to live would; protecting people's rights, making sure folks have due process, making sure that when people fall on hard times that they can access the temporary safety nets that we have in this state to support them.

HUGHES: One minute.

HUNT: If we pass LB939, we're eroding that safety net by reducing revenue for millionaires who aren't paying their fair share already. I was last in the queue on, on the last bill, LB906, and I didn't get an opportunity to, to chime in. I want to tell Nebraskans that the vaccine is safe. You should not be getting vaccine information from Senator Erdman or Senator Groene, who are not medical experts. Doing your research does not mean looking at memes on Facebook or listening to conservative talk radio. Please trust the experts. In Nebraska, we have the experts and they are the people who we should be putting in front of us as leaders, not, you know, state senators and lawmakers who have no idea what they're talking about. Thank you, Mr. President.

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

HILGERS: Thank you, Mr. President. Good morning, colleagues. I rise in support of AM1780, LB939, and if AM1820 becomes into something more substantive from Senator Linehan, I'm certain to support that as well. I appreciate coming after Senator Hunt because I think she raised a lot of good questions and I think it's a nice way to set the table for this particular debate. I think this is a, a very important debate and there are a lot of really important questions, some of which Senator Hunt just referenced: who does this apply to? How does this impact middle-class families? And my hope is over the course of this debate, we will talk through those issues in a thoughtful, reasoned way. And I think ultimately, at the end of the day, I hope, I hope that my colleagues, this body is persuaded, as I am, that this is an urgent issue and an urgent bill to pass for Nebraska. There are a number of very good reasons, in my opinion, to pass LB939 and to change and reduce the highest tax rate that we have had in over 30 years. It's been static for over 30 years here in Nebraska and Senator Linehan

touched on a few of those in her opening. Some of those include being competitive with other states, which is a real thing. The opportunity for, for labor, for individuals to work and live anywhere in the country now is a real thing. People are moving to where they can afford to raise their families. To be able to attract businesses, that's a real good reason to have LB-- to pass LB939. I want to focus on something a little bit more specific, which is helping families achieve the American dream. One of the great promises of America is that you can bet on yourself and you can change the trajectory of your family. You can change the trajectory of your family for your children and you can change your circumstances in life. And the primary way-- and I only have five minutes, so let's just take a 10,000-foot view-- the primary way people do that in this country is they get assets. They participate in the ownership society. The wealthy in America-- yes, there are-- some people have very high incomes; basketball players, professional football players, movie stars, CEOs, but the vast majority of wealth in this country is created by owning assets. And those assets typically include your own home, they include-- maybe you, you're able to save up and buy another property, they include stock, or they include businesses. Those are some of the most common assets that we have in the country. And those are things, by the way, that are not taxed the way that are-- they're not-- those are not taxed under our income tax scheme generally-- maybe we pass through S corps-- but when you talk about real estate and the mortgage deduction or you talk about capital gains taxes or depreciation rules, those are not implicated here. Most wealthy Americans and most wealthy Nebraskans have their-- they have their wealth in a, in a system where it's not taxed like income is. But the way that people get assets, the way that you can build wealth for your family is by having more disposable resources to be able to save up to be able to, to be able to get into the ownership society. And you can't do that unless you're able to actually have discretionary income to save those dollars. If you're not lucky enough to have-- be able to inherit something from your family or have assets given, given to you, you have to go and build it yourself. And in my opinion, our income tax code and the high tax rate that we have here in Nebraska chokes off that opportunity from the people who need it most, people in the middle class. And we will talk-- Senator Hunt raised a great question: how does-- who really will benefit from this? And another time on the mike, I'll come and talk about how a lot of the people in Lincoln will benefit from this type of a tax cut. But if people cannot save their own money, they will never have the opportunity the same way others have to be able to change the circumstances for their family. Now there's certain levers that we can control here in Nebraska. As policymakers, we can

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try to create a better environment for business growth. We, of course, can do the things that we, that we are able to do to help encourage higher-paying jobs, but those are indirect levers. Those are indirect impacts on our economy here in Nebraska.

HUGHES: One minute.

HILGERS: Thank you, Mr. President. These are-- this is one of the most direct ways that we can help families have more of their own money back so they can try to participate in that ownership society and change, change the trajectory for their families. I think it's especially urgent today-- and when I come back on the mike another time, I'll talk about it-- in this inflationary environment where we see prices for all sorts of things particularly hitting middle-class families incredibly hard, as well as the price of homes going up, student loans going up, we have an urgency to act to try to get more money back to the people who need it. That's why I support LB939. I'm hopeful for a very good, substantive debate over the course of the next couple of days, as it looks like will happen, and I look forward to engaging on these really important issues for the state. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. So I rise in opposition to LB939, which I know no one is surprised by. Senator Linehan made a reference to what we did last year where we lowered the tax rate to-- I believe it was 6.84 percent and we did that, as she said, to see if we were healthy enough to do it. But I was part of that conversation and the, and the, the decision and compromise there and my stated position on the mike and to everyone was that I would agree to go-- meet halfway and lower the corporate tax rate and then go further if it was demonstrated that it was effective in actually driving businesses to the state of Nebraska. And so last year, I recited a poem that I will try to recite for you here today. 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 are quite prepared to fight unless you pay us cash to go away. That's called asking 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 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 would rather pay you cash to go away. That's called paying the Dane-geld, but we've proven it time and again, once you've paid them the

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Dane-geld, you'll never be rid of the Dane. 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 a better policy to say, we 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 the reason that I say it-- recite that poem here and why I think it's relevant-- that I feel that the, the conversation we've had about lowering business taxes to attract businesses to the state of Nebraska is the Dane-geld. We are being asked repeatedly to lower and then come back and lower again and come back and lower again and say, trust us that this will work; this will draw businesses to Nebraska. And so admittedly, I guess I fell for it, but not again. We come back and we're asking to lower it even further than the conversation last year and we have no demonstrated proof that lowering corporate taxes will actually draw businesses to Nebraska. In fact, we have evidence that a large percentage of the corporate tax rate goes to businesses not in Nebraska. Because of the way our tax structure is structured, we have the single sales factor tax, which means that corporations like Walmart, Amazon, Target, Facebook, whoever, pay taxes in Nebraska based off of their business transactions in Nebraska, not based on whether they are sited here. And so the tax here, the largest percentage of it-- and there are studies and things I, I can cite later, but there are, are demonstrated evidence that if we were to-- when we cut the corporate tax, it largely benefits corporations that are not based in Nebraska. It largely benefits people who are not going to change their behavior in any way whatsoever in the state of Nebraska. And so what happens here is we lower the tax rate. We did it last year under the argument that it would draw businesses here and we don't even wait to find out if that was effective. We don't even wait till that, that tax rate goes into effect before we start talking about going back and lowering it even further. Senator Linehan talked about this is the people's money. And we have covered a lot of these expenses. We have a lot of requests for other expenses. And I, I would agree that it is our obligation to fund the, the functions of government and when we have--

HUGHES: One minute.

J. CAVANAUGH: --accomplished that, we do have an obligation to make sure that we return the funds to the people of the state of Nebraska, that we don't take more money than is necessary. There is a fundamental question about how you do that and there are other options that the benefit is more equally spread out. We can have a conversation about these tax records. I'll push my light and get back in. Looking at the queue, it'll be a while before you hear from me--

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it might even be tomorrow-- but I do appreciate the conversation we're going to have on this. But keep in mind that there are other options that are not just reductions in the top tax rate and that the, the individuals in the top tax bracket, some of them because of the structure of our tax bracket, are middle-income earners, but a great number of them, 310,000 of them make more than \$70,000 a year-- and that's 310,000 of the personal income tax-- 466,000 people are below \$70,000 a year. So the vast majority of Nebraskans are below the threshold.

HUGHES: Time, Senator.

J. CAVANAUGH: Thank you, Mr. President.

HUGHES: Thank you, Senator John Cavanaugh. Senator Hunt wishes to announce the following guests visiting the Legislature. We have a group of 40 who are part of the Nebraska Early Childhood Policy Leadership Academy. They are seated in the north balcony. If you would please rise to be recognized by your Nebraska Legislature. Thank you for coming. Returning to debate. Senator Briese, you're recognized.

BRIESE: Thank you, Mr. President, and good morning, colleagues. I really, really want to thank Revenue Chairwoman Linehan for introducing this bill and her-- for her dedication to providing tax relief in various forms to all Nebraskans. And I think she's done a nice job of-- in laying out the case for this bill. We talk all the time about growing our state. How do we get people here? How do we keep people here? How do we grow Nebraska? How do we grow our workforce? And there's multiple avenues we look at. We'll look at housing availability. We look at early childhood availability. We look at our education system, other amenities, broadband, other infrastructure, and we look at taxes. When young families are deciding where to locate, where to live, work, and raise their families, they look at a host of items, including taxes. When businesses are trying to decide where to locate, they look at, they look at workforce and they look a lot of other issues, but they also look at our tax structure. And here in Nebraska, we currently have a marginal individual income tax rate higher than all but one of our surrounding states. We have a corporate marginal income tax rate higher than all but one of our surrounding states. As one testifier in the Revenue Committee said, the top brackets are the quote, front door to Nebraska, and I would submit that our front door needs a little sprucing up. Our high marginal rates are not conducive to growing our state. They discourage folks and businesses from locating here and staying here. If we're going to grow Nebraska, we need a competitive

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tax structure and this bill represents one step in that process. It's a step in the right direction and I'm going to support it. Now, with that said, I've always been a property tax guy. You know, I got here talking about property taxes when I came here and I continue to talk about property taxes along with many of our colleagues. And for a variety of reasons, I will continue to prioritize property tax relief, but we do have to recognize that we have done a lot in that arena in the last couple of years and LB1107 really highlights much of what we did, the refundable income tax credit of LB1107, putting a statutory minimum in the property tax credit fund, that was found in LB1107. That statutory minimum guarantees that the gambling money that the voters are sending our way into the property tax credit fund are in addition to that statutory minimum and that's very important. And we're talking a lot of dollars that we've set aside for property tax relief. And so when the Revenue Chair tells us she wants to lift-- shift her focus, at least on one bill here, to provide some income tax relief, I think we should listen. And furthermore, I recognize that income tax relief is extremely important to a broad swath of Nebraskans and especially to our business community. And I would submit that we move forward best by moving together and in the arena of tax relief, we all-- we need to ensure that we all move together. And I think this legislation, following up on the heels of LB1107, following on the heels of LB723 that we talked about a couple of weeks ago, really reflects that. It reflects our need to work together, but rest assured that someday in the arena of tax relief, we will return our focus to the property tax issue and conditions permit. And I'm confident Senator Linehan is going to be helping lead the charge on that, as she has many times in the past, and that refocus on property tax relief may come later. It may come sooner than we expect, but the time will come and Nebraskans deserve that we refocus our efforts on that. But Nebraskans also deserve this legislation.

ARCH: One minute.

BRIESE: Thank you, Mr. President. They need to keep more of their hard-earned dollars and this bill will help them do that. Thank you, Mr. President.

ARCH: Thank you, Senator Briese. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. I will rise in opposition to LB939 and this shows the nonpartisan workings of our Legislature, where you have two rural senators now of the same party on different sides of a bill. We can be nonpartisan. I want to focus a little bit more on, I guess, the economic stability of the state. And I, I look at what

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we've-- happened in the last few years and you look at our revenue increases that have come. Our coffers are full of cash. Our reserve is built up. We've had record amounts really of corporate income tax coming in, sales tax coming in, and our growth is probably averaging around 10 or 12 percent of growth compared to what it-- typically 30-year history of 5 percent. And I look at the, the tax proposals we've done in the past couple of years, the, the income things we've done for military veterans, for Social Security and I thought we implemented them over a, you know, a five-year period. We phased them in. We did it in a responsible way. We made some changes to the corporate rate last year, which was a compromise. And I'm, I'm concerned that down the road, when all this CARES Act, COVID money, ARPA money, whatever you want to call it, when that benefit leaves the state and they quit shoveling money into us, they quit borrowing money at the federal level, we're going to have to go back to our own economy and I don't see that we've changed that trajectory by that much. And therefore, I feel that in the next three or four, five years, we are going to see a significant decline in revenue and yet we have not cut spending. Even though we've held it down, we still have roughly a 3 percent increase in growth and with inflation kicking in now, I do think that that will impact us in the future and our tax brackets are indexed for inflation so there will be a tax cut for some individuals as wages go up because of inflation. Our brackets will get indexed for inflation and move up. You know, we, we sit in this body and we've spent tremendous amount of time talking about property taxes, grant that. And we have done some good things, but when we talk about workforce housing shortage and we're trying to attract people to this state and yet we've got numerous programs statewide subsidizing workforce housing. And at the same time, we really haven't fixed our property tax issue because that's the only issue I still hear about in my district. And so I guess this is going to be that dilemma of what comes first. If-- you know me, I have a C Corp as a farm and my individual tax brackets and not once have I complained about my income taxes. And in agriculture, we have been having some good years. I've paid a lot of income taxes and I don't feel bad about it and I'm not leaving the state because of it. But we've had numerous producers leave the state because of property taxes. We've had bankruptcies because of it and we know we're going to have a downturn in ag again. Even though things look really good right now, I do think those cycles keep coming like they always have for the past 100 years. Therefore, I'm concerned about the direction that this bill takes and I think it goes too far. Am I willing to compromise? Possibly, but I do think we have to look at the long-term fiscal stability.

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ARCH: One minute.

FRIESEN: I could be easily-- as a term-limited senator, I could vote for every tax cut and property tax bill out here, leave the state-- leave the State Legislature, go home and say what great things I did. But I do have to watch out for that future stability of the state. I don't want to leave this place like when I came in here, where suddenly, our cash reserves were depleted and we were struggling to find funding. Thank you, Mr. President.

ARCH: Thank you, Senator Friesen. Before we continue, Senator Kolterman would like to recognize 24 from Leadership York that are seated in the south balcony. Thank you. Mr. Clerk for a motion.

CLERK: Mr. President, a priority motion. Senator Hunt would move to recommit the bill to the Revenue Committee.

ARCH: Senator Hunt, you're recognized to open.

HUNT: Thank you, Mr. President. Once again, this is a completely unserious bill saying that it's going to do something that it literally doesn't do. If this was really a tax cut for middle-income earners, if those were the people that we really cared about, then we would be supporting a bill to create additional income tax brackets, not cut rates for top earners. The share of income that's subject to this tax cut could be so much larger for the wealthiest people, for high earners than it is for those people at the bottom of the bracket. So according to this bill, if you're making, you know, \$28,000 to \$46,000 a year, your average tax change per year would be \$7. Are we going to go through all of this for \$7 for somebody? But for the top 5 percent of Nebraskans who make between \$242,000 and \$559,000-plus, it could be up to \$9,340 a year. Let me tell you something serious. For those top earners making nearly \$1 million a year, getting that money back on their taxes, that to them is just a table at the Symphony Gala. That's not going to make a huge difference in their quality of life or the type of services and things that they need for their families, but for those people who are lower incomes and middle-income earners, we say we're going to give them \$7 back and we've done something really helpful for them. It's disingenuous. It makes no sense. The same people that are pushing this are the same people who are stomping their feet about property tax relief and this is a complete misunderstanding of our tax and school funding system and at worst, you know, a blatant disregard of the political reality just to earn political points. Why do we want to remove a huge amount of our General Fund revenue with this bill flowing from the highest earners

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in Nebraska when we know that the reason property taxes are high is because the state doesn't support schools enough? So please stop pretending that we're doing this because we care for people who struggle to support their families and put our money where our mouths are. Lowering the cost of living in Nebraska for the people at the lowest income tax brackets, that's what we do-- need to do because those are the people who really need it most. Also, let's talk about the other priorities, both for spending and for values and policy that we have coming up in the Legislature here. We have money for a canal and a lake that nobody is asking for that's costing millions of dollars. Oh, and who's going to go get properties and have their boats out on that lake in that canal? The top 5 percent of earners in Nebraska. To me, what we're basically doing is we're continuing to collect taxes from the lowest earners in Nebraska so we can build a fun park, Candyland, Adventureland for the rich in Nebraska so they can have another vacation home. We definitely need more recreation in this state. We need to do more to attract tourism, but cutting taxes on the highest earners is a really disingenuous way to say that we're going to do that. I have a bill in HHS that supports foster youth because a study done by the Marshall Project found that many, many states across the country were applying for the Social Security income that foster youth are entitled to who make Social Security income. And if they do, it's because either they have a severe disability or they have a parent with a disability or they've lost a parent. They've had a death of a parent and they're in foster care. So these are the most vulnerable kids in our foster care system and the state of Nebraska has been applying for their Social Security benefits, capturing those benefits and using that money to pay for the cost of their care. So we have to steal money from kids essentially in order to take care of them because those Social Security benefits are the property of those kids, but we need to cut taxes on the top earners. We can't stop stealing money from foster youth, but we can cut taxes on top earners and build a lake and ban abortion and then we're going to turn around and keep going: Why doesn't anybody want to live in Nebraska? It's so nice. Like, yeah, it's nice for you, probably, as a top earner with your new vacation home by the new lake. But anybody who's struggling in Nebraska, under LB939, if this passes, nobody's going to go, oh my God, what a relief for me. These earners in Nebraska making, you know, \$28,000 a year to \$46,999 a year, their average tax change would be \$7 under LB939; \$47,000 a year to \$75,000 a year, \$68. And proponents of the bill will stand up and say, you know, Senator Hunt, \$68 is a lot of money. That can matter a lot to somebody. And you know what? You don't have to tell me that \$68 is a lot of money. I've been on Medicaid, I've been on SNAP. I've been a single parent for ten years

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and I know how to make money stretch. I know how much that money can matter to people. But let's stop pretending that we care about people who are struggling to provide their families when we're actually not working to lower the cost of living on the people who are struggling most. The millionaires are paying too little in taxes. The middle-income earners are paying too much in taxes. It sounds like we agree on that. But what we need to do if we're serious about solving this problem is create more income tax brackets so that the tax burden is shared more equitably. Senator Linehan also didn't support Senator DeBoer's childcare assistance bill. This is what families really need in this income range. Families making between \$47,000 and \$75,000, they don't want \$7 back on their income taxes. They want childcare assistance. That, that working family of two teachers that she talked about in her introduction of the committee amendment, I think that childcare assistance would help them a lot more than \$7 a year. Proponents of LB939 are literally just out of touch with the experiences of most Nebraskans. I remember a couple of years ago when we were debating a property tax bill and Senator Linehan exclaimed, since when did owning a home become a luxury? As if it was like the most mind-blowing thing that homeownership was unattainable for so many people with the cost of healthcare, with the cost of student loans, with the cost of being a single parent and having to pay for childcare. What my people are asking for is not \$7 back a year on their income taxes. They're asking for these policies that the Legislature continues to block year after year, whether it's expanding food assistance, Supplemental Nutrition Assistance Program, whether it's supporting foster youth and not stealing their Social Security benefits to pay for their own care-- oh, and this is with no due process, by the way. The foster parents and guardians and, and lawyers have no idea that that's happening. The state just does it. LGBTQ workplace protections, accommodations protections, not getting in the way of decisions between a woman and her family and her doctor, saying that all this bodily autonomy stuff is all the same. People tell us all the time what they want to happen in Nebraska to make this a better place for them to live and those are the bills that we block time and time again. But then with gusto and with, with enthusiasm, people stand up completely straight faced, completely seriously and they say, you know, if we don't get parity with other states and reduce taxes on millionaires and billionaires, we're really going to have a lot of trouble attracting people to Nebraska. That is absurd. Just say you don't want to tax rich people and move on. That's what it's really about. People are out of touch with the experiences of Nebraskans and many people who are around this \$30k income range, \$28,000 to, you know, \$76,000, many of those people are renters. It's

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incredibly hard to afford a down payment or a mortgage if you're making \$30k a year. I don't own a home and you know how frustrating that is? I pay, like-- between my business and between my home, I pay--

ARCH: One minute.

HUNT: --almost \$4,000 a month in rent and costs and fees, but it's impossible for me to get ahead enough to get money for a down payment. So I could be paying, you know, a \$1,200 mortgage if I could come up with that down payment to get a house. People don't understand how expensive it is to be middle income and low income. What people want is services, yet, yet we refuse to get rental assistance from the federal government. People who would be impacted by LB939 who could go home with seven more dollars a year on their income taxes, those people are renters too and we're turning down federal assistance that causes-- that costs nothing to the state and they're telling us that's something they actually need. Please get real. Also, if I never hear the phrase "ownership society" again, that would be fine with me.

ARCH: Time, Senator.

HUNT: Thank you.

ARCH: Senator Blood, you're recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, at this time, I do not stand in support of either the amendments or the bills, but mostly because I need some questions answered in reference to longevity. And it's still not making sense to me because I actually agree with Senator Briese that we need a competitive tax structure, but I, I'm not sure that this is part of the puzzle. With that, I would ask that Senator Friesen yield to a question.

ARCH: Senator Friesen, will you yield to a question? Is Senator Friesen on the floor?

BLOOD: I guess not. Well, I'm going to have to push my button again and ask him later. So one of the things that I'm looking at is I'm looking for longevity and there's been a lot of tax bills that I haven't supported because they seem like a quick fix. They seem like knee-jerk reactions to me. I'm looking for something that I know that I'm not going to have to revisit that is actually going to help taxpayers, and I'm not sure that this does that. So we talk about income taxes and how other states are more competitive. In fact, there's nine states where you don't pay income taxes. And so for me,

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the first thing I do is I start researching because I want to do my own research and not have people in my ears telling me what to believe. So in South Dakota, you don't pay personal income tax at the state level, but they do have corporate income tax and most of the revenue comes from sales and property taxes. Texas, sales and property taxes. Washington, it really helped Seattle grow, but they lost so much revenue they had to make it up with gross receipts, taxes on almost all businesses and so the sales taxes in many parts of Washington state are as high as 10.4 percent, 10.4 percent. Wyoming, sales and property taxes and state fees. So the concern for me is that we can wave our flags and say, we're going to give people this small tax break and we're starting somewhere, but I feel like we're opening a can of worms that's going to create other problems for, like our farmers. I mean, we're so worried about property taxes. And we have brought forward good bipartisan property tax relief and I see Senator Friesen, so maybe I can get him to yield for a question, a question. I feel that we're creating a problem that we're going to have to solve down the, down the line and I'm going to be listening to the debate and I'm going to be listening to Senator Linehan because I know, bless her heart, that she's working hard on this, but I'm not sure that this is something right now I can support. Senator Friesen, would you yield to a question, please?

ARCH: Senator Friesen, will you yield?

FRIESEN: Yes, I would.

BLOOD: Did you hear in committee how much of the corporate rate is exported out of our state?

FRIESEN: If I remember the figures correctly, roughly 83 percent of corporate tax break would happen to corporations headquartered outside of Nebraska.

BLOOD: Would you say 90 percent might be right?

FRIESEN: It's possible.

BLOOD: OK, so if we're exporting 90 percent of this, this cut and then you look at the fiscal note, that means we're sending \$48 million of the projected \$53 million in revenue lost to corporations like Walmart?

FRIESEN: I'm without a calculator here. I've-- whatever that number is that you've calculated, we possibly could.

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BLOOD: I won't say my math is necessarily right, but that's what I came up with sitting here, so.

FRIESEN: OK.

BLOOD: All right. Thank you, Senator Friesen. So again, if we want a competitive tax structure, I think that that's the key sentence right there. We need a competitive--

ARCH: One minute.

BLOOD: --tax structure. We need to make sure that whatever we do to help Nebraskans isn't going to hurt other Nebraskans and the states that we're using as examples are hurting the people who live in their state through property taxes and sales taxes. So we always talk about the three-legged stool, when are we actually going to balance it? And I know there's been a lot of efforts to do that, Senator Linehan, but I just want to make sure that whatever we do is something that's going to be long lasting and not hurt people in the long run. And I'm not sure that that's where we're at right now, but I'm going to listen to the debate. Thank you, Mr. President.

ARCH: Thank you, Senator Blood. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. President. Colleagues, the cost of living on low-income and middle-income earners in Nebraska is too high. Maybe that's because of property taxes, maybe that's a factor. Maybe another factor is the cost of childcare. Senator Wendy DeBoer introduced a bill to address that. It was defeated. Maybe it's because of struggles people have to provide for their families or to provide a good education. Senator Pansing Brooks, Senator Morfeld, I myself have introduced bills addressing that. They were defeated. The average renter wage in Nebraska, the average wage that a renter makes in Nebraska is \$14.04 an hour, which works out to about \$29,000 a year. So even under LB939, some of the people who are struggling the most, the average renter, they don't even get a break under this bill on their income. And what those people are telling us they really need is affordable housing and rental assistance, which is being handed to us on a silver platter by the federal government. And Governor Ricketts, famous billionaire, lover of LB939, lover of the new, fun lake to go build a house and have a boat at, is turning his nose up and rejecting this free rental assistance from the federal government. All of the people who would be helped by that rental assistance would receive zero dollars under LB939. But then Speaker Hilgers, who's going to prioritize a full abortion ban in Nebraska, and Senator Linehan, who

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has assaulted public education for her entire career here in the Legislature, who continues to introduce bills like LB939 to cut income taxes on the wealthy, they're going to pass this and say, wow, we really did something to help people in Nebraska. Do they even think that? Giving middle-income earners a cut is great. I support that. But if that's what this bill was really about and that's what we really want to do, then we would have supported Senator Vargas' bill to create more income tax brackets. We would have said, hey, you know, if you're making under \$300,000 a year, under 100, under 500, I don't care, we're going to give you a tax break. What this bill does is it gives people who are middle-income earners a small tax break because it's on the percentage of their income. So someone at the lower end could make \$7, \$13, \$25, \$30 a year back on their income taxes and somebody in the higher percentage of earners in Nebraska could make \$9,000, \$10,000 back. They can put that toward their next sponsorship of a gala or an event in Omaha. So thanks for that, rural senators, putting that right back into our economy and to our philanthropic class. These aren't the people who need the help. Senator Linehan has talked about wanting support for teachers so much this year and in the past several years. You know, what teachers have been literally crying out and begging for is for parents to listen to science and get themselves and their kids vaccinated so they don't get sick going to work. You know, in the Nebraska Legislature, our administrative assistants, our committee clerks, they would be in the same income tax bracket as Pete Ricketts. And the Legislature refuses to adjust its decades-old pay scales, so the people who are busting their butts working so hard for us in our committees and in our offices, many of those people aren't making enough money to get by. Many of our staffers are bartending at night and on the weekends.

ARCH: One minute.

HUNT: They've got other jobs. They're struggling too and those are the people who would be taking home an extra \$7 a year so all of you can pat yourselves on the back and say, I really did something to help these people. One way to attract qualified workers and make Nebraska a more attractive place to live is to increase the quality of life in this state. And when we have a Governor saying we don't want this free help for renters who aren't going to benefit at all under LB939, then I can't take your proposal seriously, that what you actually want to do is help middle-income earners because every other chance you get to do that, you say no, thank you. Thank you, Mr. President.

ARCH: Thank you, Senator Hunt. Senator Linehan, you're recognized.

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LINEHAN: Thank you, Mr. President. I told myself for the last four days when we got to this point, I was not going to take anything personal, so I'm going to ignore many things that were just said. I would like-- I, I do think I know mostly what I'm talking about. I would like to respond to that. The other thing I should have done when I first got up this morning was thank several senators in this body: Senator Kolterman, Senator Briese, Senator Flood, Senator Bostar, Senator Friesen, Senator Lindstrom, Senator Albrecht, Senator Pahls, Senator Stinner who have all worked with me very hard since I've got here to cut taxes. I find it a little bit humorous that the very people who are going to filibuster this bill are now talking-- we should be talking about property taxes when they're the same people that filibustered property tax bills. Senator John Cavanaugh, would you yield for a question?

ARCH: Senator John Cavanaugh, will you yield?

J. CAVANAUGH: Yes.

LINEHAN: You said earlier when you were up, the percentage of people in Nebraska that are under 75-- the percent of taxpayers, I think you meant, right? What did you say exactly? I'm sorry.

J. CAVANAUGH: So the, the number I was citing was from a Department of Revenue report and it was the number of households whose reported income was under \$70,000 and it was, it was a number, not a percentage. It was 466,000 of them.

LINEHAN: So about what percentage of that is of households do you think?

J. CAVANAUGH: I'm sorry.

LINEHAN: Percentage of households is at 466,000.

J. CAVANAUGH: Oh, well, that's a good question. I mean, it would be-- there's 310,000 above that, so it would be about 60--some percent. I'm not that good at that fast math.

LINEHAN: So that 60 percent, if I-- my math is correct, their income taxes they pay, it's pretty small percentage, right? Do you have that number?

J. CAVANAUGH: In terms of their share of the total state's income--

LINEHAN: Yeah.

J. CAVANAUGH: --tax?

LINEHAN: Yeah.

J. CAVANAUGH: I, I don't know that number, but I think you did hand out a, a sheet that kind of breaks that down, but it--

LINEHAN: Yeah, so let's go to that sheet so we can talk about that. So you see where it's-- do you have a copy that's highlighted?

J. CAVANAUGH: Yes, I do have that.

LINEHAN: So everybody below \$75,000, which is, I think, the way other reports say the seventh deciles or 70 percent of the people or filers are below that, right?

J. CAVANAUGH: I'm sorry, I'm having a little--

LINEHAN: Seventy percent-- seven deciles or 70 percent of income tax filers are below that number.

J. CAVANAUGH: That would probably be about right. I'd have to do that math again, but your sheet has--

LINEHAN: I can show you the math later.

J. CAVANAUGH: That, that, that sheet has different breakdown of numbers and it would actually be a larger number of people that are below \$75,000 than I cited. I've got it at over 700-- 600,000.

LINEHAN: OK, well, according to the math I have worked, it's 54 percent of the returns and they do pay 11.3 percent of tax. Do you have any idea how much taxes of our total income taxes are provided by 10 percent of the returns of people making between \$75,000 and \$99,000?

J. CAVANAUGH: Do I know the percentage of the--

LINEHAN: Um-hum.

J. CAVANAUGH: --the total taxable income that is paid? I don't know the answer to that question.

LINEHAN: It would be 11.7 percent. Then you go to the next bracket, \$100,000 to \$249,000, that would be 31 percent of the taxes that are paid in the state. So this, this is kind of what we're hearing this morning has been going on since I can remember, since I've been

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involved in politics, which is unfortunately 30 years. It's always we can't cut taxes because we're, we're, we're helping the upper middle class, we're helping the rich.

ARCH: One minute.

LINEHAN: We get-- we can only cut taxes for the people that actually pay taxes, guys. You can't cut taxes on the people who don't pay taxes. In Nebraska, like I said earlier, in-- we cut the lower brackets, the rates in the lower brackets, but we never touched the higher bracket. And as inflation keeps pushing more and more people into the higher bracket, you're going to have more and more people paying the top rate. And Senator John Cavanaugh talked to me earlier about earned, earned income credit, right? Senator Cavanaugh, would you yield for a question? Did we have that discussion?

J. CAVANAUGH: We have talked about it many times.

LINEHAN: Did you bring me back any proposals to address that?

J. CAVANAUGH: Any-- I brought a bill to the committee and we had a hearing to--

LINEHAN: And then you and I had a discussion, right?

J. CAVANAUGH: After the hearing? No, we-- I don't think we did discuss it after the hearing.

LINEHAN: I handed you this sheet right at your desk and I said, I wish you and Senator Machaela Cavanaugh and Senator Wendy DeBoer would get together and I think maybe Senator Machaela Cavanaugh--

ARCH: Time, Senator.

LINEHAN: --remembers. Thank you.

ARCH: Thank you, Senator Cavanaugh and Senator Linehan. Senator Moser, you're recognized.

MOSER: Good morning, colleagues. Is Senator Linehan's bill the complete answer to the problem? Possibly not, but it's a step in the right direction. I don't think-- it's not that difficult to make enough money to pay the top rate. And if we're charging more than adjoining states, people who make more money and can have a domicile anywhere are going to avoid our state and we need people that make substantial amounts of money to support a lot of things; our

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nonprofits, our, our museums, our-- you know, all the, the scouting things. I mean, there are just hundreds of nonprofits that rely on people who make money to donate to them. We don't-- it's not smart for us to drive those people out of the state. I think this class warfare line of argument is, is not helpful to the, to the process. The bill adjusts tax rates for lower-- you know, middle-class taxpayers. You know, who ran for office saying, hey, I'm going to raise taxes? I want to see a hand, everybody here that ran for office and said, I'm going to raise taxes, vote for me. You would never get elected saying that. My district wholeheartedly supports lower tax rates. I think we should spend more time-- instead of bemoaning the people who have been successful in life and, and their good fortune, we should talk more about how we as individuals build wealth. Don't rent a place forever, you'll pay rent forever, I mean, till you die. If you buy a house, in 25 years, you'll have it paid for. You'll have free rent. Well, except for the property tax that will be maybe as much as your rent in some cases, but nonetheless, you build wealth. And when you sell that home, that is-- that income is sheltered to, I think, \$250,000 per person so that builds wealth. If you buy stocks, how these rich people got their money is they bought things that appreciate in value, stocks and bonds or whatever, and then they hold them. And if you hold them and don't sell them, you don't pay tax on the appreciation until you sell it. And then when you do, you pay capital gains tax, which is less than, in most cases, regular income tax. And you can choose when you pay that tax. If you have a bad year somewhere else, you can sell some of your stocks that have appreciated and balance that out so that you can not pay tax where you did well and then not get a benefit where you lost money. And then if you die and leave those stocks or your house to your heirs, they get a stepped-up basis on the day of your death to current value and then they don't have to pay the tax on that appreciation, you know. And these are available to everybody. You can open Ameritrade account-- an Ameritrade account and you can buy ten shares of some stock if you want. You don't have to be the owner of Facebook or someplace to, to invest in the market. You can invest in mutual funds. If you don't want to make the decisions and you don't feel like you have the right analysis of what--

ARCH: One minute.

MOSER: --stocks are going to go up, you can let the mutual fund managers do that and they'll charge you a percentage of it, but you can get some of those same benefits. So, you know, if you're listening to this discussion and you're trying to figure out what we're doing, well, we're talking about cutting taxes and some of us are for cutting taxes and some of us are not. You know, you'll figure that out, but

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pay attention to how to make money, how to build wealth, make your family successful. It will help your heirs in the future. If-- you know, when you pass away, if you have some assets to leave to them, it's how you build wealth. Thank you.

ARCH: Thank you, Senator. Speaker Hilgers, you're recognized.

HILGERS: --you, Mr. President. Good morning, colleagues. I rise again in support of LB939 and I want to lay out how this, how this particular bill would help actually a number of people in Lincoln, the area that I represent. I actually think this is one of the broadest base bills that we could pass in terms of the, the relief-- the, the individuals will get relief under this bill. This will impact hundreds of thousands of Nebraskans and I think it's worth putting a little bit more sort of specificity in on what we're talking about. What's middle class? What's lower class? What's upper class? Let me give you a few examples. If you were living in Lincoln and you work at one of the major employers, I'll just list off a few-- and I just did some of this research over the weekend. Here's a few of the top employers or prominent employers in the city of Lincoln: University of Nebraska, I looked up-- their average salary that I found was \$66,000. If you work at Kawasaki, it's one of the largest employers in Lincoln that's in my district, if you're a-- found over the weekend, if you're a welder, you-- or a technician, you're making around \$40,000 to \$50,000. If you're at Schneider Electric, you can make anywhere from \$40,000 to \$47,000 or \$50,000. Duncan Aviation, another employer in my district, an outstanding company that does great work, if you're a painter, you make \$45,000, an engine technician, \$50,000. If you're a nurse in Lincoln, data here was a little more difficult to come by, but it looked like high not-- high five figures, maybe low six figures, maybe \$100,000 if you're a nurse. The Legislative Council, Senator Hunt mentioned that. We did actually, by the way, give them a raise in the last budget-- and I agree with her. We need to do more for the great employees who work here-- can range anywhere from, say, \$30,000 or \$40,000 to \$80,000. Now, if you are one of those individuals, like many people in my district who are a work-- you are a working family with two kids, your combined income might be around \$100,000, \$120,000. Under LB939, your tax cut actually will be several hundred dollars-- not \$7-- several hundred dollars back. And look at the average cost of a family in Lincoln just to, just to take some of the cost-- the basic cost that they might face: if you-- food is around \$9,000 a year; transportation around \$9,000 a year; healthcare, which we know is going up all the time, if you're lucky, does-- and you don't actually have to use your deductible because you have an unexpected injury of some kind or surgery, \$5,400 a year; childcare,

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\$20,000 a year; electricity, \$1,000 a year; gas, \$1,200 a year, water, \$500, utilities, \$1,200; housing-- this is almost certainly low. This is just for rentals-- maybe \$12,000 a year, doesn't include property taxes. By the time you add up all of those, plus just the, the other living expenses that might come and be able to save just for a potential rainy day and you're a working household at any of those employers, you tell me how that household is going to be able to save for the future and be able to change the future for their families. How are they going to save to buy stocks or maybe buy a house, as Senator Hunt said? Housing costs have gone-- have skyrocketed, have skyrocketed. There was an article just the other week I was reading about how the middle class is, is getting priced out of the available housing, housing stock around the country. How are they going to afford that? Well, we start by starting to give some people their own money back. And remember, it's not static. If those combine-- the family is making \$100,000, \$120,000, \$70,000 a year, they start to make more money-- more of their money back, well, what if they happen to have a year where they work a lot of overtime? They work at Kawasaki or Schneider Electric and they work a lot of overtime. They want to change things for their family. So they have a one year where they make a lot more because they're putting in, they're putting in the 70-80 hours a week. They're going to keep more of those dollars back. It compounds on itself and I don't think it's my place to say that that's not enough money to give back to those families. If I can give \$400 back--

HUGHES: One minute.

HILGERS: --to a family that's trying to do the right thing for their children and save money to buy assets or an education or pay for college or pay off their student loans a little bit faster, who is it for me to say, well, that's not enough to matter for your family? That, that's, that's not, that's not really going to change the game for you. Well, for a lot of families, it will. And of those hundreds of thousands of families and individuals in the state of Nebraska, you bet this type of a tax cut-- not as big, by the way, as I'd like-- if the argument is we should do more, hey, I'm all ears. Let's cut it further. If that's the ar-- if the argument really is, well, it's not enough, put an amendment on the table that cuts it even further and I'll support it. But it's not for me to say if I-- we can give you some of your money back and help you with your family, that that's not enough to support this particular bill. Those costs that I just sort of rattled off, that's in normal times.

HUGHES: Time, Senator.

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HILGERS: Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. And so-- well, I wanted to be clear-- this is only my second time. I know I talked with Senator Linehan. I want to be clear that I, I, too, appreciate Senator Linehan's work and I always do appreciate her commitment to cutting taxes. And I think even though she and I and, and several other people have had many conversations and, and arguments and discussions about particular suggestions, I don't want people to take that as that I don't agree that we should move forward with tax cuts when we have the option, when we have the ability. I voted for and, and worked on the compromise last year for that-- the tax reduction that we did have and voted for the Social Security tax cuts. So that's-- I think it's important to recognize is-- and frame this conversation as one where we are disagreeing about a mechanism and not necessarily disagreeing about the outcome. Because if we do have the opportunity to afford tax relief to Nebraskans, that that is something I think we should consider, but here the question is-- and Senator Hilgers just really did do a nice job of describing a lot of these people-- and the reasons why it shouldn't be up to us to decide how much money is enough money for people. But the question is, if you're true-- if what you really want to do is provide tax relief to middle- and low-income people and tax relief across the board, you don't do it with a top marginal rate. So first off, things that have come up while we've been talking, the, the numbers have changed because the-- though the rate stays the same, your adjusted gross income is pegged to the CPI, which means it goes up. The dollar amount that we say as the top marginal rate, top margin amount for each bracket goes up every year since we set it. And so that's one; this number has, has changed and the dollar amount has grown, though probably has not kept up with inflation. So two, there's a thing called adjusted gross income and there's your actual income, OK? And so what we do is when you say-- you list off a job like Senator Hilgers talked about that gets paid \$66,000 a year, that is your, we'll say your nameplate wage. That is not your adjusted gross income, which means a person whose job lists that they make \$66,000 a year, that person will not benefit from this tax cut because after they take out the standard deductions from the federal deductions and the, the state standard deductions, their adjusted gross income is well below \$66,000 a year. So when we look at this sheet that Senator Linehan handed out, which was-- is very useful and actually is more granular than the sheet that I was relying upon earlier and I appreciate it-- 69 percent of Nebraskans earn-- have a,

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a federal adjusted gross income of below \$74,999. So those folks are the very bottom of the people we're talking about here in terms of just adjusted, adjusted gross income. However, there is a deduction-- the Nebraska deduction that they would take on top of that. So that is their federal adjusted gross income. We're talking about less-- basically 30 percent of Nebraskans, the wealthiest 30 percent, will derive most of the benefit from this. And there-- we could do the math. We could go round and round about how much money. I did the quick math. If your adjusted gross income is \$66,000-- or \$70,000, your total benefit from this tax cut would be about \$40. That's your adjusted gross income. That's not your actual income. So it's important to keep in mind when we talk about how much people are making, we're-- the tax applies to after standard deductions, which gets your actual income lower. But the fundamental question presented here is-- and Senator Linehan hit on this-- whether or not you think that we should, we should as a choice of public policy be giving tax relief in this method or in a different method. And so I have suggested, as she pointed out, a earned income tax credit which goes to working poor people.

HUGHES: One minute.

J. CAVANAUGH: It goes to people who earn, as a household income, of up to about \$50,000 and that's a household with four kids. And those people have to-- you have to work. It's a, it's a refundable tax credit, but you have to be making income and it goes up as you make more income and then it goes down after you reach that level. So I can push my button, keep talking about that, but there are other mechanisms which we can afford tax relief to the people everyone keeps talking about we really should. Or is the question do you want to give it to people who are in that top percent, the nine-- the 8,811 taxpayers who make \$1 million or more or do you want to give it to the 700,000 Nebraska taxpayers who make less than \$75,000 a year? That is the question presented here; whether you want to give it to those 9,000 or you want to give it to the 700,000. So ask yourself that when we're having this conversation. We can hide our intentions in a bunch of obfuscatory numbers, but it's clear. So I'll push my button again and probably won't get to talk today, but we'll-- this conversation is going to keep going and I'll try to make it clearer as I talk. Thank you, Mr. President.

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

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HILKEMANN: Thank you, Mr. President. I-- it's my first time to talk on, on this bill. And about a week or so ago, I went up to Senator Linehan and I said, I'm-- you're finally bringing a tax bill that I'm very interested in and I would like to support. And I said, now, you're taking the, the, the decrease in the, in the-- or the decrease in revenue that we'll get by this by taking it from the property tax relief fund and she chuckled. And, and it goes back because we've had conversations that I'm not-- I like property tax relief. I've just never liked the fact that we take it from the extra money that we collect from our income and our sales tax and we transfer it over to the property tax relief fund. I am very hopeful, Senator Linehan, that with this particular bill, that-- one of the questions we're-- keep coming up is are our brackets right? Can we work with those brackets? Can it be amended that we can work for the brackets? And secondly, I hope that we can find a way that we can afford this bill and move it forward. I think lowering our income taxes is an important step in, in, in the, the whole process of improving our tax structure. And I've used this analogy before and that's why I-- that we seem to put Band-Aids on it. We need to have a way of, of looking at our whole tax structure and seeing if we can't find it to be fair for all Nebraskans. And so I'm hopeful that we-- through this period of time that we can-- that to this conversation, that we can make this a good bill that we can all get behind. And if I have additional time, I will yield it to Senator Linehan.

HUGHES: Senator Linehan, 3:00.

LINEHAN: Thank you, Senator Hilkemann, and thank you, Mr. President. I would like nothing better than to blow the whole thing up and start over. I would, but Senator Friese-- Briese, would you yield to a question?

HUGHES: Senator Briese, will you yield?

BRIESE: Yes.

LINEHAN: Senator Briese, how many times have you tried to expand the tax base, rework school funding, fix property taxes? How many bills have you introduced since you've been here to do big things?

BRIESE: Oh, seven or eight, I'm sure.

LINEHAN: And what kind of opposition did we run into when we did big things all in one package?

BRIESE: Fierce.

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LINEHAN: The hearings would run, what-- we'd start at 1:00 and get out of there at 10:00 at night?

BRIESE: Yes, yes, we, we encountered an enormous amount of opposition any time we tried to expand the sales tax base, any time we tried to limit the growth of property tax askings.

LINEHAN: So we have made an effort to, like, redo the whole deal, haven't we?

BRIESE: Oh, yes.

LINEHAN: But what we've been successful at is steps in the right direction.

BRIESE: Yes.

LINEHAN: Thank you, Senator Briese. So that's what this is. It's a step in the right direction. Does it fix all our issues? No, it does not, but it is next to impossible to do really, really big. I, I've tried. Senator Briese has tried. Senator Friesen has tried. Senator Groene has tried. Others have tried. And we have done some pretty significant things on property taxes. Have we fixed the problem? No. But is it much better than it was two or three years ago? Yes. What we have not done is we have not addressed income taxes for all of Nebraskans that pay income taxes, which is the vast majority of us. And we're specifically really-- this bill, if you look at the numbers-- and I know it's, like, a pain to look at numbers--

HUGHES: One minute.

LINEHAN: --but the people that pay the largest percentage of income taxes in the state of Nebraska are people above \$75,000. And yes, I know we could try and go after the people above \$500,000 or people above \$1 million, but as-- and I will talk more to this. Those are one-time deals a lot of case, when you sell your business and you have a high income. And somebody mentioned capital gains, which is true. There's a federal capital gains tax break. There is no Nebraska capital gains tax break. So if you sell-- you make \$100,000 on stocks, you pay 6.84 percent because there's no capital gains break in Nebraska. Thank you, Mr. President.

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

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LINDSTROM: Thank you, Mr. President, and still good morning, colleagues. I rise in support of the Rev-- Linehan amendment, Revenue Committee, and LB939. I just want to take a minute to kind of talk about two different ideas here. I look at LB939-- I know there's a lot of conversation around the individual. I look at this bill more as a, a business bill in the sense that when we talk about our small businesses across the state of Nebraska, subchapter S, LLCs, any pass-through entity, they are being taxed at our individual tax rate. And to me, making sure that we're competitive of dropping that 6.84 percent over time down to 5.84 percent bodes well for, for our businesses in the state of Nebraska, particularly small businesses. What that does is allows those individuals and companies to invest in capital, make capital investments along with employment investments. And I think there's a lot of senators who have talked about the economy here today and workforce and all that, all that-- how all that plays out. The, the bill that I think would, would complement this from the individual side is Senator McDonnell's bill when you talk about the, the tax brackets. And if we're trying to tailor that and target that for, call it, the 18-to-35-year-old demographic, if those individual tax rates for, for single filers is at \$50,000 and, and joint filer is at \$100,000, most of the starting jobs in the state of Nebraska fall underneath that category. And so if we're trying to make sure that those individuals and we're competitive on bringing those folks here where they won't pay income tax, to me, that complements this very well on the individual side. And then as I see it, LB939 may be more on the business side of things. And I think those are the concepts that can blend together. And again, I want to talk a little bit about just the concepts in general. You know, I think most of us agree, on all the studies and, and as, and as you talk to people, that we don't want to tax income and we don't want to tax property. And I think Senator Erdman's bill, from a conceptual side, addresses that. From Senator Walz and myself from a concept side, we talked about that, that as well, as moving away from property tax as the main source of providing education funding and more the, the sales tax base. Senator Erdman's bill does things similar where you're not paying income tax and you're not paying property tax. So I think from the, from the conceptual side, I think we're all trying to get to the same point, it's just how do we do it? How do we reduce the, the burden on individuals on the property tax? How do we reduce the, the burden on individuals and businesses across the state of Nebraska on the individual tax rate? Most people can agree that they'd rather say yes or no to a product or service. And so for-- from a concept side, I think we're, we're headed in the right direction. But what this really comes down to is how to make Nebraska competitive. So I will continue

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to stand in support of LB3-- LB939. I think it gets to addressing that issue and if it couples with Senator McDonnell's bill-- I mean, the ultimate goal, in my opinion, is if you look at the lines, if we're dropping the individual tax rate, if we can raise the, the threshold on the individual and joint filing tax rates, at some point, those two lines can meet and that line-- those two lines meeting at some point, in my ideal world, there would be no income tax. And so we've done, we've done steps. Social Security is, is one that we're-- we hear on General File. It's going to Select File at 42-0 vote. We've done steps on the corporate side, but we can't sit here and just talk about these things anymore. We can't sit and wait for certain circumstances. At some point, we're going to have to take, take a leap. And I think over the last eight years and in particular, the last several years, we've done a good job of curtailing spending, keeping it within the boundaries of-- that allow us to have these conversations, to allow us to have \$400 million-plus in our coffers and, and to have this conversation-- a realistic conversation of addressing these things. And so when we talk about this, I do think that this bill fits into the conceptual side and that's why I will support LB939, amongst other--

HUGHES: One minute.

LINDSTROM: --bills that are coming up, so appreciate it and thank you, Mr. President.

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

FRIESEN: Thank you, Mr. President. Sometimes I'm, I'm trying to listen onto the floor here, but it's kind of busy and so you miss some conversations, but we've-- I've heard mentioned a little bit the, the property tax relief that we've done and, and I agree that we have done substantial work there, but I just want to point out to everybody that, you know, 71 percent of that, I think, still has gone to the urban residential, commercial property owners. And so if you look at a, a home here in Lincoln, if you-- if your property tax bill is \$6,000-some and 62 percent of that goes to the school, if you look at LB1107 money, you're going to get a \$1,000 income tax credit. That same person, if your income is in that \$70,000 to \$80,000 range, is going to get \$40 income tax cut. We've got a long ways to go yet and when I talk about agriculture, we still in this body have not addressed the huge shift that happened to agriculture and I'm going to keep saying it on this floor until I leave. We have not addressed that 200 percent increase that no one else experienced. We have not

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addressed that. The property tax relief that we have done has all been targeted to everyone. So let's not forget the big picture of what we've done and I agree we've done a lot. We've also done it quite a bit in income taxes. We have done Social Security tax. We've done veterans tax relief. We've done things in the past. And again, the Imagine Act and LB1107 agreement was a, an agreement. It is what it is. Seems like maybe not everybody loved all of it, but it got voted through pretty well unanimously. So I still look at what are the options that are out there? And so I have never said that I was finished yet with ag land values or how do I fund my K-12 schools that are nonequalized? And when I look at what we're doing here, I'm, I'm worried that it puts that at jeopardy. Those funds are never permanently put in place. Future Legislatures can take those funds anytime they want if they have a revenue shortfall and they aren't, they are not in a safe place. From what I've seen TEEOSA, you know, the schools don't trust the state, but in the end, we have pretty reliably funded TEEOSA over the years. Sure, we've tweaked it, but back when we did those tweaks, there were a lot of senators who had no skin in the game. Their-- because their schools were not getting any TEEOSA. You could vote for anything you wanted there and it didn't matter. Until we start to fund K-12 and I guess nonequalized schools better, I don't want to put General Fund money at risk while we're doing that. We've kept talking about that we're still 48th or 49th in the country in K-12 funding. We still haven't addressed that really. We've put money aside for property tax relief, but it doesn't talk about state aid to schools or none in my district. We don't talk about the huge increase that ag land has seen all across this state where that tax burden shifted to them when they lost state equalization aid. So I want to continue this discussion. I think it's a good discussion. I think people are bringing up some good points on both sides. I, for one, am not moving out of this state because of our income taxes, but I would consider moving out of the state because of my property taxes. From my district, all I hear about yet is property taxes. They still-- maybe until they file their state returns this year, they have not associated how much this 25 percent refund of their school taxes will be.

HUGHES: One minute.

FRIESEN: But we have to remember that people still have to write that big check for their property taxes and then wait for their refund. So we've got a lot of things to discuss here that all ties together in what we've done for tax relief, whether it's sales tax, we've done some bracket-- exemptions there. We have done the turn-back tax that has benefited the urban areas, Omaha and Lincoln and Grand Island,

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some of those urban centers, but we have not addressed ag land's property taxes. Thank you, Mr. President.

HUGHES: Thank you, Senator Friesen. Mr. Clerk for items.

CLERK: Mr. President, Banking, Commerce and Insurance reports LB707, LB863 to General File with amendments. Priority bill designations: the Agriculture Committee, LB848, LB805; Banking, Commerce and Insurance, LB863, LB707. Amendments to be printed: Senator Geist to LB450; Senator Machaela Cavanaugh, LB939; and Senator Brewer to LB777. I also have announcements. Natural Resources will hold an Executive Session tomorrow at the conclusion of their hearing. The Appropriations Committee will have an Executive Session today at 12:15 in Room 1003. Health and Human Services will have an Executive Session following their hearing this afternoon in 1510. And Revenue will meet today in Exec Session following their hearing in Room 1524. Mr. President, Senator Machaela Cavanaugh would move to adjourn the body until Thursday morning at 9:00 a.m.

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