

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenue Committee January 24, 2024

* Indicates written testimony submitted prior to the public hearing in accordance with the Legislature's guidelines on ADA testimony.

von GILLERN: [RECORDING MALFUNCTION] --Committee's public hearing. My name is Brad von Gillern, I serve as the Vice Chair of this committee. I'm from West Omaha and Elkhorn, Nebraska, and I register-- I represent Legislative District 4. The committee will take up bills in the order that are posted outside of the hearing room. Our hearing today is your part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. We do ask that you limit handouts. If you're unable to attend a public hearing and would like your position stated for the record, you may submit your position and any comments using the Legislature's website by 8 a.m. the day of the hearing. Letters emailed to a senator or staff member will not be a part of the permanent record. If you're unable to attend and testify at a public hearing due to a disability, you may use the Nebraska Legislature's website to submit written testimony in lieu of in-person testimony. To better facilitate today's proceeding, I ask that you follow these procedures. Please turn off all cell phones and other electronic devices. The order of testimony is the introducer, proponents, opponents, neutrals, and the closing remarks. If you'll be testifying, please complete the green form and hand it to the committee clerk when you come up to testify. If you have written materials that you'd like distributed to the committee, please hand them to the page to distribute. We need 11 copies for all committee members and staff. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. Please be concise. It's our request that you limit your testimony to five minutes. We'll use the light system. Green is four minutes, yellow is one minute remains and red indicates you wrap up your comments. If your remarks were reflected in previous testimony, or if you would like your position to be known but did not wish to testify, please sign the white form at the back of the room and it will be included in the official record. Please speak directly into the microphones so our transcribers are able to hear your testimony clearly. I'd like to introduce the committee staff. To my immediate left is research analyst Charles Hamilton, and to the left at the end of the table is committee clerk Tomas Weekly. Committee members with us today will introduce themselves beginning at my far right.

KAUTH: Kathleen Kauth, LD 31.

MURMAN: Senator Dave Merman, District 38, southern part of Nebraska.

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BOSTAR: Eliot Bostar, District 29.

ALBRECHT: Senator Joni Albrecht, District 17, northeast Nebraska.

DUNGAN: George Dungan, District 26, northeast Lincoln.

MEYER: Senator Fred Meyer, central Nebraska, District 41.

von GILLERN: Our pages today are Mia, who is a political science major at UNL, and Julie, who's a history major at UNL. Thank you for helping us out today. Please remember the senators may come and go during our hearing as they may have bills to introduce in other committees. Refrain from applause or other indications of support or opposition. For audience, the microphones in the room are not for amplification but for recording purposes only. Lastly, we use electronic devices to distribute information. Therefore, you may see committee members referencing information on their electronic devices. Be assured that your presence here today and your testimony are important to us, and is a critical part of our state government. And with that, we will open on LB901. Senator Linehan.

LINEHAN: Good afternoon, Vice Chair von Gillen and members of the Revenue Committee. I am Lou Ann Linehan. It's L-o-u A-n-n L-i-n-e-h-a-n. I'm from Legislative District 39, which is Elkhorn and Waterloo in Douglas County. I'm here today to present LB901, which is a technical update to our sales and use tax exemption certifications for specific, specific nonprofit organizations. LB901 is a result of a need to clarify the tax exempt status for public-private partnerships that involve two nonprofit organizations. In the case of LB901, we have two nonprofit organizations, one a hospital and one a philanthropic foundation focused on mental health, that have partnered to build, donate, and operate an incredibly important behavioral health and wellness center on the hospital's campus. Partnerships like these are critical for encouraging donors to invest their dollars in Nebraska for the benefit of families across the state. Your support of LB901 will send a message to our donor community that we are a partner and recognizing the sizable contribution their donations and commitment to addressing issues like behavioral and mental health. Stacy Watson is an accountant for Lutz, and many of you on the Revenue Committee will recognize her as a familiar face, as she often is asked to testify as a technical expert on issues like the change proposed in LB901. I would encourage you to save any questions on the bill you

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might have for her. I'm happy to try to answer any questions, but would encourage the committee to approve and advance LB901. I would ask the committee to approve this bill and advance it to the floor for consideration by the body. Thank you, and I'm happy to answer any questions.

von GILLERN: Thank you, Senator Linehan. Any questions from the committee? Seeing none, we'll invite our first proponent testimony.

STACY WATSON: Good afternoon, Vice Chair von Gillern. Thanks for having me. My name is Stacy Watson, S-t-a-c-y W-a-t-s-o-n, and I am a tax shareholder at Lutz, and I specialize in state and local tax. So when this first became a question, I was-- people I reached out saying, well, can we just fit what this public-private partnership wants to do into our current sales tax statutes? And that would have been wonderful. But unfortunately, the sales tax statutes in the state of Nebraska, they, they really focus on the form of a transaction and not the substance of the transaction. So a lot of times the 501(c)(3) is not exempt for sales tax purposes, but a hospital always is. And so in this case, the substance of the transaction is that the not for profit, the 501(c)(3), is going to help in the process of getting this facility ready and transfer it to the exempt organization. While the current statute doesn't exempt the nonprofit, even though the hospital itself, itself is exempt, and at the end of the day, they're the ones that will be operating this facility. And so we needed to make a small technical correction to the bill-- to the statute as it is today, in order so that the substance of the transaction, which is truly an exempt entity, will not be subject to sales tax on the building. So that's-- I mean, that's the entire purpose of this bill. Nothing special, nothing except for the fact that our current statutes don't support the substance. So if you have any questions, more than happy to take them, you know how much I love sales tax. I'm sure we'll be seeing each other this year a lot. So--

von GILLERN: Thank you. Any questions from the committee members? Seeing none, thank you, Ms. Watson, for being here.

STACY WATSON: Awesome. Have a fabulous first day.

von GILLERN: Thank you. Any other proponent testimony? Seeing none, any opponent testimony? Seeing none, anyone who would like to testify in the neutral capacity? Seeing none, Senator Linehan, would you like

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to close? Senator Linehan waives closing. So we'll close our hearing on LB901, and we will open on LB863. Welcome back, Senator Linehan.

LINEHAN: Thank you. Good afternoon, Vice Chair von Gillern and members of the Revenue Committee. I am Lou Ann Linehan. L-o-u A-n-n L-i-n-e-h-a-n and I am from Legislative District 39, Elkhorn and Waterloo. Today I'm here to introduce LB863. LB863 is a cleanup bill of LB38 which passed last year. LB38 was intended to address federal retirement income under the prior retirement systems, the Civil Service Retirement System, which did not contribute to Social Security and was not deductible under any portion of the retirement income from Nebraska state income taxes. Individuals that were under that system were put on a level playing field with those who could already deduct Social Security. However, by including those under the Federal Employment Retirement System, the current federal retirement system, those individuals now have an extra or additional item they can deduct from their state income tax. With Social Security now being 100% deductible from state income tax as of this year, this bill rebalances everyone to be able to deduct the same level from their state income taxes. I would ask the committee to approve this bill and advance it to the floor for the consideration by the body. Thank you. And I'm happy to answer any questions.

von GILLERN: Any questions from the committee? I have one, Senator Linehan. I, I had several constituents reach out. And it seems to be-- there seems to be some level of confusion about what this cleanup is trying to do. Could you give just a little bit more clarity on maybe where the confusion arises?

LINEHAN: Well, I understand why they're confused because I've been confused all summer. So there seems to be not absolute certainty that what we did last year was just affect those who were in federal retirement prior to '82, and then stayed on the old system. So in the old system of federal retirement, you didn't pay into Social Security, you just paid into federal retirement. So when we-- over the last couple of years, we've exempted military retirement and now we've exempted Social Security retirement. Well, these people were getting no exemptions because they get no Social Security. So that I'm still all for, that's what we want. What we didn't do-- but there seems to be some communication of whether we did or didn't do it. We didn't exempt all federal retirement, because if you'll remember, and because of the day we've had, I didn't look at it till right now, I'm not sure

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I understand the fiscal note. If you'll remember, the fiscal note for that bill was only \$2 million. Well, if we-- if it-- if people decide we're exempting all federal retirement, that wouldn't be much more than \$2 million. So I'm not saying we should or shouldn't, but we can't do things by accident. So this just clarifies what we actually thought we were doing last year.

von GILLERN: Thank, thank you. Any other questions from the committee? Seeing none, thank you. We'll invite up proponent testimony. Seeing none, we invite up any opponent testimony. Good afternoon.

HAROLD KLAEGE: Good afternoon, Vice Chairman and members of the Revenue Committee and Chairman of the Revenue Committee. I'm here today to testify in opposition of LB863. My name is Harold Klaege. H-a-r-o-l-d K-l-a-e-g-e. I'm the president of the National Active and Retired Employees Association in Nebraska. NARFE is a dedicated protective enhancing the earned pay retirement health benefits for federal employees, retirees, and their survivors. We're disappointed to see the change in how federal annuities would be taxed. You know, I testified at the committee hearing on LB38 last year to help explain the different retirements. And you-- this committee approved it, LB38, to be amended into AM906, which became LB754, and you voted 8 to 0. So you know, what, what happened? What changed? You know, yeah. Since '87 new federal employees are retired under the, the FERS system is a combination of Social Security and, you know, it's a mix. But the biggest question is the federal annuity portion of each system is reported on the same CSA 1099R. So you get your statement for what you received in federal benefits. There's no way to determine whether you are CSRS or FERS with that. Also to add to that, I looked this morning at the fiscal note, and the Department of Revenue says the fiscal note for this bill is zero. So it's not really fiscally-- revenue is not changing. You know, and the biggest thing we want to do is, you know, states of Iowa, Kansas, Oklahoma, South Dakota, Wyoming, don't tax federal annuities, both FERS and CSRS. And what we're trying to do is-- and I have a bunch of coworkers that have already left the state to go to a more tax friendly state. In fact, Iowa is even more friendly because they don't even tax Social Security or any of your IRAs or 401(k)s, so, you know, we're pretty well want to try to keep the FERS annuity people here in the state. You know, you're not giving up much dollars, but if you have that spending dollars here to help buy products and, and pay taxes and keep the state of Nebraska robust,

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you know. So with that. I thank you for your time. If you have any questions, I'll be glad to answer them.

von GILLERN: Thank you, Mr. Klaege. Any questions from the committee? Seeing none, thank you for your testimony today.

HAROLD KLAEGE: Thank you.

von GILLERN: Any other opponent testimony? Good afternoon.

CRAIG DERICKSON: Good afternoon. My name is Craig Derickson, C-r-a-i-g D-e-r-i-c-k. Thank you, Vice Chairman von Gillern and members of the Revenue Committee for allowing me to provide testimony in opposition to LB863. I'm a retired federal employee, and I worked for the USDA Natural Resources Conservation Service for more than 35 years. During my USDA career, I provided assistance to farmers and ranchers, to our natural resource districts, and to local communities to help them protect and conserve our natural resources. I began my career in 1985 as a field soil scientist in western Nebraska, along the Wyoming border. My wife and I moved our two young children there to begin my career with the USDA. I'm a proud-- I'm proud of my federal service, and I'm now a participant in the Federal Employees Retirement System, which we call FERS. And FERS is a retirement plan that provides retirement benefits from three different sources. The federal annuity, Social Security and the Thrift Savings Plan, which is like a typical 401(k) type of plan. And as you know, the Legislature passed LB873 in 2022 to help protect the retirement income of our senior citizens by eliminating the state taxes on Social Security benefits. Last year, in 2023, the Legislature passed LB754 to also eliminate state taxes on federal annuity benefits for employees in both the older Civil Service Retirement System and in the newer Federal Employees Retirement System, the FERS. However, to our surprise, LB863 has been introduced this year to eliminate the tax exemption for the FERS, our retirees. And I believe the annuity payment to federal retirement should be treated the same, whether for a FERS annuitant or for a CSRS annuitant. The 1099 issued to retirees does not specify if the annuity were earned under the FERS system or the CSRS system. Several nearby states do not tax federal annuities, and Harold mentioned these, including Iowa, Kansas, South Dakota, Oklahoma, and Wyoming. So, speaking for myself and for other federal retirees from across the state, federal retirees in the FERS system would like to have their annuity benefits be included in the state tax exemption, like those of

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Social Security recip-- recipients, and retirees in the, retirees in the CSRS system. So I hope the Revenue Committee will decide to not approve the change in LB863 and allow FERS retirees to continue to be eligible for the tax exemption. Thank you for your time, and I'll be happy to take any questions if you have any.

von GILLERN: Thank you, Mr. Derickson. Any questions from the committee? Seeing none, can I ask you to spell your name again?

CRAIG DERICKSON: D-e-r-i-c-k-s-o-n.

von GILLERN: And very good. Thank you. Thank you for being here today. Any fur-- any other opponent testimony? Good afternoon.

JIM CULVER: Good afternoon, Vice Chair and members of the Revenue Committee. I'm here to testify in opposition of LB863. My name is Jim Culver, J-i-m C-u-l-v-e-r. First, I guess I would like to compliment each of you as being members of the Revenue Committee in advancing LB38 last year in the legis-- legislative session, and it was a kind of a tough session. It was eventually combined in LB754, which was passed. And in that bill it included federal annuities for people who had retired under the Civil Service Retirement System known as CSRS, and also the Federal Employees Retirement System known as FERS. And so it, it was part of the bill. And recently I was a bit set back to learn that a bill been introduced to delete or take out those people who had retired under the Federal Employees Retirement System, as was noted in LB754. It is also pleasing to note that the passage of LB754 last year put Nebraska on the same page as many of the friendly states such as South Dakota, Kansas, Oklahoma, Iowa. And Wyoming, states had already passed legislation to exclude federal employees from state income tax for annuities that they received as benefits. And to my knowledge, all of these states currently honor those people who are on the Civil Service Retirement System and as well as the Federal Employees Retirement System. I testified before your committee last year in support of LB38, and I'd like to give you a little brief history of my background as far as my civil service experience and my experience with FERS. I began my career as a soil scientist employed by the Department of Agriculture Soil Conservation Service, which is now the Natural Resource Conservation Service, in 1957 under the Civil Service Retirement System. I was employed later in Iowa, and in 1971 I came to Nebraska as a state soil scientist with the Soil Conservation Service in charge of the soil survey program here. And at that time, I

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was in the Civil Service Retirement System in 1971, as was all other federal employees in the United States under that same system. And as noted below, the civil service system was created by Congress on August 1st of 1920, which was a good number of years ago. But in 1986, Congress created the Federal Retired Employees System and it became effective January 1, 1987, and since that time, all new federal hires have been under the FERS system. And in 19-- January 1, 1987, if you wanted to get involved in the Civil Service System, that was an impossible because it was dead. It was gone. And that legislation was about 38 years ago, so some time ago. At the time this bill was passed, I was the National Leader for social-- Quality Assurance staff at the National Soil Survey Center located here in Lincoln. At that time, all employees were required to personally decide which retirement system they wanted to choose. That was CSRS or FERS. Each employee was requested to sign dumb-- some document on their decision, what they wanted to have a record. And there were training sessions, as I recall them, to discuss advantages and disadvantages of both sessions, so everyone had an opportunity to kind of jar it over and see what might work best for them. And basically if one had a good number of years of service, which I had, was to stay in CSRS. And that was my decision to stay in CSRS. And CSRS is fairly straightforward, and it is computed mostly by taking the high three salaries, high three years of salary during your career times the number of years worked by a factor. And so it was fairly straightforward and much easier to understand than the more complex bill that was passed more recently, the FERS bill. And the new FERS system has three components, and this was probably the trick for the whole thing. There's one component that's regarded as Social Security, and there's one on federal annuities. And I think we should keep in mind that the federal annuities that they get on that component is very small compared to the federal annuities that the retirees like I get it. It's a very small percent. So when you say they're getting the same, that's not quite that. And then there's a component of the Thrift Saving Plans, where they put in so much money and the federal government or your agency matches it. And so, so their money comes from Social Security, from the-- Let's see, Social Security, and, and the federal annuities, and the Thrift Savings Plan. So they got three components when they calculate that out.

von GILLERN: Mr. Culver, you're at time, can you wrap your comments up, please?

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JIM CULVER: Pardon?

von GILLERN: You're at your time limit. Could you wrap your comments up, please?

JIM CULVER: Yes. I guess I would say that I would very much encourage you to not pass LB863, that we should stay with what was passed originally, that it's something that most of the employees with FERS I'm sure would appreciate. And I thank you for your time. And I apologize for running over a bit, but--.

von GILLERN: Thank you. Thank you for your comments.

JIM CULVER: Any questions?

von GILLERN: Questions from the committee. Senator Kauth.

KAUTH: I do have a question, Mr. Culver. Thank you for being here. So this, this bill would tax just the annuity portion of the FERS, is that correct? From your understanding?

JIM CULVER: You're talking about FERS?

KAUTH: Right. So you said that there was a Social Security component and an annuity component.

JIM CULVER: Yeah, it would tax just this-- the, the, the federal annuity part. There wouldn't be any involvement with Social Security or with the Thrift Savings Plan, because they get caught later with the Thrift Savings Plan, the taxes on that. So if it just would include, as I understand, the smaller part of the, the FERS, which would be a small part or smaller part of their total retirement at the end. Whereas like if you're in CSRS, the retirement at the end would be that the total amount, you know, all I get comes right out of the, the federal retirement that I get based on the years I worked and the salary and that type of thing, because--

KAUTH: Do you know what percentage of the-- of that three is the annuity?

JIM CULVER: No, I don't, but I know I have a daughter-in-law, she's with the Patent Office and she says that it's really very, quite small.

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KAUTH: OK. Thank you--.

JIM CULVER: And I'm sure we can provide that to you if you would wish.

KAUTH: Thank you very much.

von GILLERN: Any other questions from the committee? I'll, I'll just ask one quick one on-- to tag onto Senator Kauth's question. I think previous testifiers said that on the 1091-- 1099, there's no way to determine how much of that value is based on the annuities. Are there any other supplemental reports or statements that you receive that-- were that could be determined?

JIM CULVER: On what? On the Civil Service?

von GILLERN: On the, the annuity portion of the earnings.

JIM CULVER: I don't know, what the annuity portion of the, the FERS you're referring to?

von GILLERN: Yes.

JIM CULVER: I, I'm not-- I don't know,--

von GILLERN: OK.

JIM CULVER: --what that would be. It's been some time since I retired, and I haven't kept up with all those details, so-- but I'm sure that there, there's people available that have that.

von GILLERN: Great. Thank you. Any other questions? Thank you, Mr. Carver. Appreciate that. Any other opponent testimony?

JOHN McGRATH: Good afternoon.

von GILLERN: Do you have a green sheet to--

JOHN McGRATH: Oh, yes. My name is John McGrath. J-o-h-n M-c-G-r-a-t-h, and I worked for USDA for 35-- between 35, and 36 years. And I'm a person that is actually affected with this is because I'm a FERS employee. I-- and I actually started in 1984, or 1983. So I could have stayed in the CSRS system. But when I looked at the options where I was just starting my career, there was some things that were better for FERS than were CSRS, things-- and some things that CSRS that were

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better than one of the-- than FERS. So the one-- the-- I made the decision because of some of the 401(k) and the matching provisions to switch over. So now I'm, now I've got those three components. And the, the three components again, you're the-- you're in-- under FERS is your federal retirement, your second one is Social Security, and the third one is your 401(k). So when they calculate your retirement, if you're in the FERS system, you get 1% of your high three salary. And that's what that component for that is. And you actually pay into the federal government on part-- as part of your salary that money to, to pay for that. And under CSRS you also pay in 7%, but then you get back 6-- I think it's 6% of your high three salary. So it's much, much larger. And I guess those, those are the --those are the things that kind of made me decide I was going to be-- go to FERS. So I, I'm kind of just on a round figure for what, for what my annuity would be the difference-- if, if, if you have a 5% tax rate in Nebraska, it's probably not that high anymore. But 5% would be about for me would be about \$22,000 a year difference on this-- just on this bill. So-- and, I appreciate the time, being able to visit with you. And, I don't-- if you have any questions I'd be happy to answer them.

von GILLERN: Any questions from the committee? Seeing none. Mr. McGrath, thank you for being here today.

JOHN McGRATH: Thank you.

von GILLERN: Any other opponent testimony? If you're planning on testifying, please kind of move up to the front here, so you're ready to go. Do you have a green sheet?

STEVE MASTERSON: I don't know the protocol. Do I have to go back and fill out a green sheet?

von GILLERN: Anybody else? Any other opponent testimony you'd like to come up? I don't think we can take your testimony on record right now. If you want to fill out a green sheet and testify, we'd be more than happy to have you. Any other opponent testimony? Sit tight for just a moment. Good afternoon.

STEVE MASTERSON: Oh. My name is Steve Masterson. I can't tell you who I work for if that-- you can probably figure it out, though. My reason for opposing this, is that I-- if I understand it, I've already paid tax on my portion of the first contribution, so in a sense, I'm being

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double taxed. Roth IRAs, we pay-- the citizens to pay the tax ahead of time, and they don't get taxed when they take the money out. And I think-- so, in a sense. I think I'm being double taxed and I don't-- I also, like other folks have said, I don't know why FERS employees are being taxed and not CSRS or I think the military is also not being taxed. And something else, I kind of tried to look up some facts. And what I learned from the IRS is that Nebraska pays six-- in 2019, Nebraska paid 6/10 of 1% of the federal revenue. Yet they're kind of claiming 100% of the ability to tax me, which if that makes any sense, it doesn't-- I don't think that makes sense. And, the other thing I learned is that Nebraska receives about \$0.64 back from the federal government for every dollar paid in. But I'm just asking you not to try and have me make up the difference. Find, find some other ways of getting tax revenue back to our state. And I wanted to thank Senator Linehan. Is she here? Thanks for trying to reduce taxes. I just ask you to not do it in this method. And that's all I have to say. Thank you.

von GILLERN: Yeah. Mr. Masterson, one moment please. Any questions from the committee? Seeing none. Thank you. Thank you for your testimony. Next opponent testimony, please.

GREG WEBBER: Afternoon.

von GILLERN: Afternoon.

GREG WEBER: My name is Greg Weber. G-r-e-g W-e-b-e-r, and, I don't really have a prepared statement. You had asked a question earlier, Senator von Gillern, about having another document that would show a breakdown of the FERS and CSRS payment. I'm one of those individuals that transferred to FERS after working 15 years under Civil Service. So I'm projecting out that doing my tax return is going to be quite interesting if, if this passes. And so the document I wanted to show, I apologize I only have one copy, but it's a notice of annuity adjustment which is never submitted with the tax return. But it does show the FERS and CSRS portions of my payment. I've redacted my personal information, but you're welcome to have a copy of this if you'd like to see it.

von GILLERN: We cannot receive that as part of the hearing process, but if you'd like to email it to one of the senators, I'm sure they'll be happy to distribute it.

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GREG WEBER: Very good.

von GILLERN: So thank you. Any questions from the committee?

BOSTAR: We could have a page make copies.

von GILLERN: OK.

KAUTH: Can I have him take it next door and make some copies?

von GILLERN: Sure.

GREG WEBER: Do what?

KAUTH: If, if-- you know, I think you have--

von GILLERN: We can have a page make copies for you.

KAUTH: Yeah.

von GILLERN: OK.

von GILLERN: All right. Thank you. Appreciate that. Thank you for being here, Mr. Weber.

***TYLER SONDAG:** I am strongly opposed to this bill. The tax laws were just changed to eliminate the tax on the Federal Employees Retirement System (FERS). This bill would eliminate the piece of the tax law set to go into effect this year that would greatly benefit the retired civil servants who spent their careers working in the Federal Government. As is well known, many federal employees make financial sacrifices to serve the American people, and the people of Nebraska. Instead of taking higher paying private industry jobs, these men and women chose to help others rather than seek their own financial gain. The most recent tax law rightly just eliminated tax on FERS. It just does not make sense to roll back this tax legislation which will result in long time Nebraskan civil servants moving to states with better retirement tax policies.

von GILLERN: Any other opponent testimony? Seeing none, anyone who would like to testify in the neutral capacity? Seeing none, Senator Linehan, would you like to close?

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LINEHAN: I am really, really sorry for the confusion on this. I-- and I understand why it is confusing. Wyoming has-- I know they don't tax anything because they have no income taxes needed, and so does South Dakota. I know Colorado exempts retirement income up to \$38,000, which is probably something the future Revenue Committee could look at. And then you just-- doesn't matter where it comes from. But it's capped, anything-- so that could be your Social Security or your FERS. I am very familiar with what they're talking about because I worked for the federal government. I'm in the FERS. So I paid into Social Security. I paid into the TSP, which you could deduct, that's retirement accounts that you would have, and-- I put in \$1,000, the federal government matched it up to \$5,000 a year. And I also paid into Social Security. I wouldn't have passed this bill last year thinking I was benefiting myself without mentioning that. It was very--I have family member, not my immediate family, but married into the family type. They're on the old system. It was not fair that those-- and there were some here today that are on that old system. They weren't getting any break because they never paid into Social Security and they weren't getting Social Security. So I thought it was-- and Carol Blood had a bill too. I think we actually used Carol Blood's bill, which might be-- I don't know where we messed up, but it seems to me that it needs to be fair that if you're already getting the break on Social Security-- and I don't know the numbers because it all depends on how much we made, or what our high three years were. But I'm sitting here thinking mine is about a third, a third, and a third. So about-- I don't take Social Security yet because I'm going to wait till I'm as old as-- till I'm done with this great job. But thinking that's about what it is, what I'm most-- I appreciate very much all the testifiers coming here today, and I feel very bad that this is so confusing. But what I'm most frustrated about right now is the fiscal note, which I didn't look at before I got here. That's on me. But you can't tell me that we're going to not tax any of the federal retirement all the people that are on the new system, and it's not gonna cost anything. That's where we got in trouble here. So I sent back to my office and asked staff in my office to take it down to Fiscal and figure this out. Like-- it's free not to tax? So for those that are here, the plan was if you're on the old system, you shouldn't have to pay taxes on it because you don't get Social Security. For those that are on the system I'm on, you have to pay-- you don't have to pay taxes on your Social Security. Now, again, maybe we need to go to the Colorado route where it doesn't matter where it comes from, we don't tax it to a

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certain amount. But that's for the committee to work out. So I'm sorry there's so much confusion. But this was-- it goes back to the fiscal note last year that said it was \$2 thou-- \$2 million. And it's certainly more than \$2 million. So we need to figure out from fiscal what are we dealing with here.

von GILLERN: Thank you. Senator Linehan. Any questions from the committee? Seeing none. That'll close our hearing on LB863.

LINEHAN: Welcome Senator von Gillern.

von GILLERN: Got it. Good afternoon.

LINEHAN: Good afternoon.

von GILLERN: Afternoon, Chair Linehan and members of the Revenue Committee. My name is Brad von Gillern. B-r-a-d v-o-n G-i-l-l-e-r-n. I represent Legislative District 4. I offer your --for your consideration today LB1177. LB1177 was brought to me by the Nebraska State Bar Association and attorneys who practice in the area of estate planning and probate. The bill is offered with the intent to clarify the intended application of an exemption from the state's documentary stamp tax, in instances in which real estate is transferred between and among family members, and no actual consideration is exchanged. Attorneys work regularly with clients in planning for the transfer of their assets upon death. When real estate is involved, that planning can often give rise to a need to transfer the legal title to property in anticipation of death. The control of the person's home, or operation of the farmland in question, will remain with the client until their passing. Depending on the situation, LLCs or other business entities may be established. A trust might be created, or part or portions of ownership may be gifted, with some remaining interest retained. In nearly all of these instances, instances where family's involved, no consideration or actual value is exchanged. Indeed, the property is not sold and control is not typically transferred. Understanding this, the Legislature provided for an exemption from application of the tax with respect to these types of transactions. Nebraska Revised Statute 76-902 has provided for an exemption from the tax when property is transferred among family members dating back to the 60s. Recently, questions have been raised as to whether some of these types of transfers meet the definition of transfer among family members as the current statute states. Most

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notably, the Department of Revenue has opined that a transfer from a married couple to an LLC with a sole member, or from an individual to an LLC with a sole member does not fit within the definition of family of 76-902 reads. That interpretation of the application of the exemption to such transfers departs from a long history of how attorneys and county officials have handled these types of estate planning transfers. The department, then, has advised counties not to accept the filing of real estate-- of a real estate document with this exemption applied when it's structured in this way. What this means is that families can be on the hook for potentially thousands of dollars in filing fees for paperwork that is meant solely to plan for the future, and when the transfer does not affect control of the property or result in any real value being exchanged as you would see in a public sale. This departure from past practice has also resulted in an inconsistency among counties in how they've accepted the filing of these types of documents. At least one county official is-- has determined to comply with the directions provided by the department and has refused to accept filings under this exemption and required payment of the tax. Other counties have continued the past practice of applying the exemption to these transactions. LB1177 merely clarifies the long standing interpretation and application of this exemption in these real estate planning instances. There will be a representative from the Bar Association who follows me that can answer your technical questions. Thank you and I'm happy to answer any questions you may have.

LINEHAN: Thank you, Senator von Gillern. Are there questions from the committee? Seeing none. Thank you.

von GILLERN: Thank you.

LINEHAN: First proponent. Good afternoon.

TIM HRUZA: Good afternoon, Chair Linehan, members of the Revenue committee. My name is Tim Hruza. Last name spelled H-r-u-z-a, appearing today on behalf of the Nebraska State Bar Association. I want to start by thanking Senator von Gillern for intro- introducing LB1177. This one comes from our real estate, probate and trusts practice section. The senator's introduction really explains the crux of the issue, which is just sort of a little bit of a different interpretation of the definition of family as the plain language of the statute reads. It's a common estate planning practice for

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attorneys to take real estate that might be owned by a husband and a wife, transfer it into a trust or an LLC for purposes of estate planning. That transfer, because the entity is different-- and let me back up. That-- I could go back as far as 1961 or '66, I can't remember that off the top of my head, where this language relating to a family exemption from documentary stamp tax exists. Every attorney that I have heard from on this issue has said we have never tried to tax these transactions. Black's Law Dictionary defines family as a collection of people who are related. And so there's been some questions about, like I said, the common estate planning practice where you transfer farm ground that might be owned by husband and wife into an LLC, where the husband is the sole member of that, for purposes of estate planning and transfers after the death of the husband and wife or husband and wife. What you have to do is you have to have a paper of that transaction, and you file documents with the Register of Deeds so that people know the entity that owns it, or the trust that has con-- that has ownership of that property, even though control is not technically moving outside of the family. And, again, no consideration has been exchanged. This is not for sale, they're just changing the papers. That exemption has been applied routinely until this sort of question of, well, Black's Law Dictionary defines family as X. Does a sole member LLC-- is that really a family? We've got at least one county that's said-- that has-- is following kind of that question, right? And has said you got to pay this, this tax, which is \$2.25 per thousand dollars of value. So we have one county that's at least charging, and I don't know if there are others out there that have started doing it. But lawyers have-- are struggling with clients in we're filing these things, the tax is supposed to be paid when it's exchanged for value. We've got a transaction where there's no value being exchanged, and there's inconsistency among counties, so. With that, we think it's a very simple clarification. I guess the one other piece the bill does is it also clarifies that a step relative constitutes a relative for purposes of deciding whether the exemption should apply. So, if my-- I'm transferring it to my stepson right now, they have to pay that tax just because they're not blood relatives of me. But this would, this would clarify that. And I would tell you too, we did that a couple of years ago with Senator Clements' bill on inheritance tax and started treating step relatives the same as inheritance tax. Lawyers just think that's pretty common practice and probably should be handled that way, and these days. So

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with that, I'm happy to answer any questions you might have. And thanks again to Senator von Gillern for carrying the bill.

LINEHAN: Thank you very much. Other questions for the committee? Seeing none, thank you very much. Are there other proponents? Good afternoon.

JON CANNON: Good afternoon, Chair Linehan, distinguished members of the Revenue Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n on. I'm the executive director of the Nebraska Association of County Officials, you may have heard of us referred to sometimes as NACO, here to testify in support of LB1177. I also would like to extend my thanks to Senator von Gillern for bringing this bill. This provides much needed clarity which we prize, in the administration of the documentary stamp tax. Interpretation of statutes is a matter of law. Courts typically defer to an agency's interpretation of, of that law they're charged with enforcing. You know, the question on exemptions, of course, exemptions are always to be construed narrowly. And I can understand how an interpretation would, would really seek to restrict the exemption that we have. However, as, as Mr. Hruza so ably pointed out, the interpretation had been one way for a long time at the Department of Revenue, and then in the last few years it changed. My interpretation, personally, has always been, you know, step relatives, they're legally relatives. And so that-- that shouldn't be a problem. If you've got something that's going to a sole owner of an LLC that is by definition a family LLC, because there aren't any non-family members that are part of it. And so to the extent that this legislation would clarify what had been a longstanding practice in all 93 counties for a long, long time, seeking, however, guidance from the Department of Revenue. We certainly appreciate that this will accomplish exactly that. Clerks and Registers of Deeds work with the Department of Revenue, and they prize the, you know, having a consistent answer across the state. And if we could have the consistent answer that we think is the right answer, I would certainly appreciate that as well. I'm happy to take any questions you may have.

LINEHAN: Thank you, Mr. Cannon. Are there questions from the committee? Senator Albrecht.

ALBRECHT: Thank you, Chair Linehan. And thank you for being here today.

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JON CANNON: Yes ma'am.

ALBRECHT: So you're saying that some of your counties were interpreting the law one way and others another way?

JON CANNON: So--

ALBRECHT: And that's why you need to clarify the language today as you want it written?

JON CANNON: So for many, many years, the interpretation from the Department of Revenue, had been one, stepchildren, step relatives were relatives because they were legally relatives and period, full stop, that's, that's how it is. The interpretation of the family LLC had been that a sole owner of an LLC would qualify as a family LLC. So that interpretation had been in place at least since 2007 as far as I know. And then in the last few years, I think someone probably took the whole exemptions are construed narrowly thing and said, well, we have to construe this narrowly and a sole family LLC is, is probably not a-- or a single owner LLC is probably not a family LLC, and so probably remove that exemption. But I don't know what the rationale was. I wasn't at the Department of Revenue for that. But the interpretation did change. And so because that interpretation changed, it led to some confusion. I, I-- there are some counties that were out there that said, well, the interpret-- the last time I called the Department of Revenue in 2016, this is what the interpretation was, and that's what we're going to go with. Another Register of Deeds who has contacted the Department of Revenue, say at the last three years, got a different interpretation. And so because of that, there's a patchwork of interpretations that had been received at different times from the Department of Revenue.

ALBRECHT: So the only time that they would be paying is if the sole owner passes away, then they would pay these fees of \$2.25 per thousand?

JON CANNON: So the documentary stamp tax is a recording fee. So when I go to record a document--

ALBRECHT: For just when the LLC is formed.

JON CANNON: It can be any-- at any time really. And so if I'm a husband, and like Mr. Hruza was describing, if you have a husband and

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wife and they decide to put-- to transfer assets into the, the LLC, that's-- of which the husband is, is the sole member, you know, the exemption right now, it says deeds to or from the family corporation or LLC or partnership. My interpretation would be that the husband, he is by definition that he's the sole person in the LLC, that he would have to be, that'd have to be considered a family LLC, because there are no non-family members that are members of the LLC. I think the interpretation had gone a different way where they-- where the department perhaps had said, and I don't wanna speak for the department for sure, but the department had perhaps said, well, there are no other family members as part of this LLC. So therefore it is not a family LLC and therefore transfer from husband and wife to the husband's LLC is going to be taxable, and they're going to pay \$2.25 per thousand dollars of value. So it's, it's really just kind of taking us back to the, the status quo ante, you know, the interpretation that we'd had before and making it consistent across the state. And that's why we're in favor of it.

ALBRECHT: OK.

LINEHAN: Thank you Senator Albtecht. Any other questions from the committee? Seeing none. Thank you very much for being here.

JON CANNON: Thank you very much.

LINEHAN: Are there other proponents? Are there any opponents? Anyone wanting to testify in the neutral position? Senator von Gillern, would you like to close?

von GILLERN: Thank you, Senator Linehan. I'll be very brief. As Mr. Cannon stated, and by the way, I want to thank him, I'm one for one for-- with him for being a proponent on the bill I presented this year. So thank you, Mr. Cannon, for being here today. Senator Albrecht, to your earlier question, really, all we're trying to do is add clarity and provide for a consistent application. The Department of Revenue has issued an opinion that is different than what has been historically in place. Some of the counties are applying that directive differently than others. We want to make sure that we're giving a consistent directive to the, to the Department of Revenue, so that the counties can apply it consistently.

ALBRECHT: OK.

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von GILLERN: So. And that's all I have. Thank you.

LINEHAN: We did have letters, just one proponent, no opponents, and no neutral. So thank you very much.

von GILLERN: Thank you.

LINEHAN: Switch spots here.

von GILLERN: Good afternoon, Senator Linehan. You're welcome to open on LB1088.

LINEHAN: Good afternoon, Chair von Gillern, Vice Chair, excuse me, and members of the revenue committee. I'm Lou Ann Linehan. L-o-u A-n-n L-i-n-e-h-a-n and I am Leg-- I am from Legislative District 39, which includes Elkhorn and Waterloo in Douglas County. I'm here today to introduce LB1088. LB1088 amends 77-5327 and 77-5727 and changes the dates for levels of employment for approved projects submitted and approved after December 1, 2020. LB1088 will ensure that Sustainable Beef can meet all the requirements under the Nebraska Advantage Act. Sustainable Beef is over \$400 million beef processing facility that is over 5,000 square feet, located in North Platte. The Sustainable Beef project will process 1,500 cattle per day. The best option for Nebraska cattlemen is to have ownership in a packing plant, and will bring more than an estimated \$1 billion to North Platte. Sustainable Beef applied and was approved for a tier 6 project under the Nebraska Advantage Act in December 2020. As a tier 6 project, the Sustainable Beef must meet employment requirements in four years. LB1088 would extend this deadline to six years. As you may, may recall, I'm sure you all do recall, the world was a different place in 2020 with COVID restrictions. The project experienced delays due to supply chain issues and financial due diligence created by COVID. Due to a vir-- due to virtual meetings instead of in-person meetings, and the desire for investors to monitor COVID impact on the marketplace, there was an unexpected hardship on the project. Based on these factors, the project open date has been pushed back from July 2024 to July 2025. LB1088 would allow the project to its-- resume its intended financing expectation. The state of Nebraska was already planning on issuing the credits approved under the Sustainable Beef agreement, so there should not be any-- not be an unexpected fiscal note to the state. The project is hugely important to the state of Nebraska. Sustainable Beef is critical for Nebraska's farmers and ranchers. The current incentive

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approvals keep the project in the hands of Nebraska owners, and on the same path as intended from an application of 2020. Thank you for your consideration and I would appreciate your support for LB1088. I'm happy to answer any questions.

von GILLERN: Thank you, Senator Linehan. Any questions from the committee? Seeing none, we will ask for proponent testimony. Good afternoon.

GARY PERSON: Thank you, Senator. My name is Gary Person. G-a-r-y, Person spelled like person P-e-r-s-o-n. I'm president and CEO of the North Platte Area Chamber and Development Corporation. Distinguished Senators, Senator Linehan, appreciate your introduction of the bill. Senator Jacobson and Senator McDonnell for co-sponsoring. We're asking for your understanding on the need for the date modification of the Nebraska Advantage Act, outlined in LB1088, so that Nebraska can honor its commitment to the Sustainable Beef project in North Platte. Clearly, this is the largest project for North Platte, Lincoln County, and southwestern Nebraska in generations. This is a critical impact business for our regional economy and the cattle producers of central and western Nebraska. That impact is to the tune of \$1.2 billion annually, according to the economist Ernie Goss at Creighton University. My journey with Sustainable Beef began 1,253 days and one hour ago, on August 19th, 2020, when I sat down with a group of regional cattle producers and agriculture business leaders to do my best to sell them on Nebraska and specifically on North Platte. As with most economic development projects, it was a highly confidential discussion. One of our key selling points was the Nebraska Advantage Act, and with the assistance of the Nebraska Department of Economic Development, we laid out how this program could be a difference maker in this group's decision making process. Clearly, other neighboring states were under consideration to locate this project within their boundaries. We also carefully crafted what we believe North Platte could complement what the state of Nebraska was committed to do. We care-- carefully laid out the path to success. But even for someone like myself with 40 years of economic development experience working with business and industrial prospects, even I did not envision the difficult and time consuming journey that lay ahead. Hearing the frustration in their voices and seeing the sincerity in their expressions, I finally better understood their mission to start controlling their own destiny of their generational ranches and cattle production. They had little influence on the marketplace that

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controlled everything impacting their livelihoods. Future generations were at stake. They could not fail. Nor could we fail as a community or a state to make this project happen. We knew it would take a monumental effort to achieve the project, and over the next two years, we endured 21 public hearings and 16 city development step processes. It would take a tremendous effort to educate the public and public officials on why this project meant everything. It would impact the regional ranches in our community for generations to come. These founders were true trailblazers with this concept. No one could have predicted the COVID debacle and the supply chain delays, as well as the federal government creating an inflationary environment that caused pricing to go way up and financing to become exceedingly more difficult. With this modification proposed to LB1088, Nebraska can meet its commitment that enticed this wonderful project to our agriculture base state. It is critical for the short term and long term well-being of this phenomenal project that's bringing \$400 million of new investment and over 800 new, good paying jobs with benefits. As an added benefit, the employee friendly environment will be second to no one in the meatpacking industry. Senators, thank you for everything you do, and I ask for your understanding of why this is necessary and why the qualifying timeline needs to be extended due to the magnitude and unforeseen complications of this generational changing project. It's the right thing to do for Nebraska to honor its commitment. I thank you.

VON GILLERN: Thank you for your testimony. Any questions? Senator Kauth?

GARY PERSON: Yes sir. Yes ma'am.

KAUTH: What is Sustainable Beef?

GARY PERSON: Sustainable Beef is a-- and I think you'll, you'll hear from one of the founders as well as the CEO of the company, but it is a group of local cattle producers and agriculture investors that is bringing a meatpacking plant, processing, to North Platte. But the uniqueness of it is it's not one of the four major packers that kind of control the world market. It is truly grassroots based, and it allows these producers who take all the risk to control some of their own destiny.

KAUTH: Thank you.

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GARY PERSON: Any other questions from the committee? Seeing none, thank you, Mr. Person. Next proponent testimony please?

DAVID BRIGGS: Good afternoon, Vice Chairman von Gillern and the revenue committee. My name is David Briggs, D-a-v-i-d B-r-i-g-g-s, and I have the pleasure of serving as CEO of Sustainable Beef, headquartered in North Platte. I'm. I'm working with a group of Nebraska cattlemen to build a new beef processing plant in North Platte to address some of the issues that impacted all of us during the COVID pandemic. Today, I'm here to speak in favor of LB1088. In the summer of 2020, a group of Nebraska cattlemen and investors set out on a journey to build a new beef plant which would allow our state's producers to vertically integrate and to have the opportunity to own and thus control the next step in the beef supply chain. A large part of our decision process was the opportunity the Nebraska Advantage Act provided us to earn credits that will be redeemed over time. Due to the size of our project, we qualified for the tier 6 level of benefits, and currently have a contract with the state of Nebraska. We must invest at least \$109 million in capital expenditures and employ a minimum of 50 employees earning around \$80,000 per year by December 31st, 2024. We've already achieved the investment required and we will achieve the employment level needed if LB1088 is approved. The process of bringing together all parties required to bring this vision to fruition was drastically hampered by the effects of COVID on our supply chains and cost structures. As costs continued to rise, we had to continue to revisit all vested parties, which included bankers, cattlemen, and investors, to confirm we could continue to move forward with no in-person meetings. We broke ground on the large project in October of 2022, about one and a half years later than originally planned. During the time we had worked on this project, there were approximately 12 other plants announced in the United States, and today Sustainable Beef is the only plant under construction. We expect to complete the \$400 million plant and begin operations in the summer of 2025, and be at full employment of 800 employees by early 2026. LB1088 will provide the same timeline tier 4 has to meet our minimum thresholds, which will allow us to receive all the benefits from tier 6 over the next couple of decades, which we used in our financing arrangements with our lending institutions. This project is already bringing significant economic impact to North Platte and the west central region of Nebraska. During construction it is estimated to increase employment in North Platte by 2,000 people and bring over

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\$1.2 billion of economic-- annual economic impact to the region. In conclusion, the Nebraska Advantage Act was a major incentive tool and encouraged us to go forward with the large project which will positively impact North Platte, the cattle industry and the state of Nebraska for generations. LB1088 will simply provide the same timeline of tier 4 to allow us to fully receive the benefits offered in the Nebraska Advantage Act. I'd be happy to answer any questions.

von GILLERN: Thank you for testimony. Any questions from the committee members? Seeing none, Mr. Briggs, thank you for being here.

DAVID BRIGGS: Thank you.

von GILLERN: Any other proponent testimony?

TREY WASSERBURGER: Afternoon. I'm Trey Wasserburger, W-a-s-s-e-r-b-u-r-g-e-r from North Platte, Nebraska, one of the founding-- founders of Sustainable Beef LLC and a local family in North Platte. And, yeah, this has been an incredible project from the beginning. It's something that's never been done before. Not only just have a startup packing plant, but also to be producer owned. And I'm a fifth generation. Our family model is we-- we're conception to consumer now, which is really exciting. It's really never been done with, you know, supply chain blockchains being staggered, you know, through the COVID pandemic. And we're trying to make that more resilient and return that to the producers. And our family model is to raise the bull that's sires the calf. It goes out to about 30 or 35 states. And we buy those feeder cattle back, inject it back into the local economy and feed those cattle, and those cattle will be harvested at Sustainable Beef LLC, the \$400 million packing plant coming into North Platte that's producer owned. And, then it'll go to the largest retailer. And we're pretty excited about that. And-- but that model takes us about five years. We've been-- from the time we raised the bull, to get that calf back and get it to a major packer today, it takes about five years. So we're used to long term commitment. I'm one of the younger involved, and for that-- I was raised in Wyoming, and my dad was the youngest of four sons, and I'm his youngest son, so there wasn't a lot of room left for me. Thankfully, I came to the land of grass and water, and in the sandhills married a nice young woman from Hershey, Nebraska, and saw a lot of opportunity here, and bought a ranch. And, and this community has brought a lot for the producers, and I'm ready to give it back.

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And one of the coolest things about this project that I love is we've had a really hard time assimilating women into ag specifically. It just seems like that's the sorting gate when you're born a boy and born a girl, and we've had a hard time injecting and retaining young talent in women. And I'm learning through this project. I had a, I had a phone call on Monday, and it was one of, one of the top meat salesmen in the country. And she's 35 and a woman. And I have two daughters and two boys. And so I'm pretty excited that there'll be some economic opportunity for them to come back. And, you know, we, we invest in our children so much through property taxes, just for them to go find a job somewhere else. So if we don't create economic opportunity for our children, they will go somewhere else, like I did. And, we're trying to prevent that. And we're really excited about our project. And we just broke the construction record, North Platte, by like triple or quadruple, \$300 million. I think the closest year was \$90 million. So North Platte's on the map. I was told by a CEO of one of the major beef packers that North Platte will be the epicenter for the beef industry in the next five years if we're successful. So, that says a lot. And we're producer-owned, and we're proud of it. And we live there, and my children go to school there. I ask for your support and continuing support of this project, and you guys have been there since the beginning, and, I ask for your support for LB1088.

von GILLERN: Pretty good. Thank you, Mr. Wasserburger. Questions from the committee, Senator Meyer.

MEYER: If I could have a little latitude, I'm very familiar with your project. If you could, for the committee, kind of explain the paradigm that you used to bring fill dirt into your location. I was there for a Nebraska cattlemen summer meeting a year ago--

TREY WASSERBURGER: Oh.

MEYER: --so if you would just, for information purposes, share that with us.

TREY WASSERBURGER: Well, this is really cool. My neighbor actually got the, got the, the dirt project, and this guy works harder than anybody I know. And so for him to, you know value-added ag is what Nebraska is all about. Here's this guy, I've never seen him drive a pickup that's younger than me. And today he got that dirt contract, and man I, I, I wish I knew-- I'm not-- obviously I got the wrong construction hat on,

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but, millions and millions of tons and \$16 million of dirt filtered into that site, right out of the sand hills that puts it above the floodplain. And yeah, it was a project. I think we hauled dirt for a year. It was awesome. We sold a lot of diesel, too.

MEYER: But, but it was almost anybody who had a viable truck--

TREY WASSERBURGER: Oh.

MEYER: -- in that area was hired to haul dirt.

TREY WASSERBURGER: I think every ranch, Army pickup and the covered in the weeds got pulled out and we got a DOT deal and started hauling dirt. Yeah, it was awesome. We've-- that what we've stimulated to the economy already is incredible. It's-- North Platte-- I, I was told this the other day, North Platte hits different. You know, we're a declining population for 30 years. And now we, we have full hotels, you can't get a reservation. We're actually getting-- filling schools, which there was conversations of closing schools. I mean, the economic impact we're seeing is huge, and it's only just begun. We haven't brought in our 800 people at workforce yet either, so.

MEYER: Thank you.

TREY WASSERBURGER: Thank you.

von GILLERN: Senator Albrecht.

ALBRECHT: Thank you Chair. Thank you for sustaining the cattle industry in the state of Nebraska. We're always competing for a number 1 or 2. But also with your children, because those next generations are the ones that are going to be looking at that to, to continue it. And we do feed the world with our meat and we're just a speck on the map. I just wish you were closer to northeast Nebraska, but you'd have a little bit of competition up there. You know. But thanks for all you're doing. It's a great project.

TREY WASSERBURGER: Yes, ma'am. Well, if we're successful, I think this will be blue printed and done in other rural communities. If we're successful. Thank you.

von GILLERN: Other questions from the committee? Mr. Wasserburger, can I get you to spell your first name, please?

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TREY WASSERBURGER: Oh, Trey. Treyton. T-r-e-y-t-o-n is my legal name.

von GILLERN: Thank you, I appreciate that, I missed that at the beginning. Thank you for being here. Thank you for your testimony. You tell a great, great story. I would kind of wish we could videotape what you just said and send it out, because it's a terrific story about what makes this state special. So.

TREY WASSERBURGER: Well they just told me 15 minutes ago I was testifying, so sorry I don't have a handout or anything, but--.

von GILLERN: Well you look like you've been rehearsing all week, so thank you, appreciate it.

TREY WASSERBURGER: Say what you mean and mean what you say, so.

von GILLERN: Pretty good.

TREY WASSERBURGER: Thank you, guys.

von GILLERN: Pretty good stuff. Thanks for being here.

TREY WASSERBURGER: You bet.

von GILLERN: Any other proponent testimony? Any opposing testimony? I dare ya. Anyone like to testify in the neutral? Seeing none, Senator Linehan, would you like to close?

LINEHAN: I just want to thank them for coming. Obviously-- I noticed that our senator from North Platte's in the room, and it's been my experience in my life that one of the things that makes a community work is a hometown bank. So, I think we should get this up and move it-- go forward. So I'll take any questions if there are any.

von GILLERN: Any questions from the committee? Seeing none, thank you Senator Linehan, and we close our hearing on LB1088, and close our Revenue hearing for the day. Thank you all for being here.