von GILLERN: All right. Welcome to the Revenue Committee. I'm Senator Brad von Gillern from Elkhorn, representing the 4th Legislative District. I serve as chair of the committee. We'll take up bills in the order posted. This public hearing is your opportunity to be a part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it's your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but you'd like to indicate your position on a bill, there are also yellow sign-in sheets back at the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure we get an accurate record. We'll begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally, anyone speaking in the neutral capacity. We'll finish with a closing statement by the introducer if they wish to give one. We'll be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you will have 1 minute remaining, and the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It's just a part of the process, as senators may have bills to introduce in other committees. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included in the committee statement. I'll now have the committee members with us today introduce themselves, starting on my left.

SORRENTINO: Tony Sorrentino, Legislative District 39, Waterloo and Elkhorn.

KAUTH: Kathleen Kauth, LD 31, Millard.

JACOBSON: Senator Mike Jacobson, District 42, Lincoln County, Hooker, McPherson, Logan, Thomas, and part of Perkins County.

MURMAN: Senator Dave Murman from Glenvil, District 38. I represent most of 8 counties along the southern border of the state.

DUNGAN: Senator George Dungan, LD 26, northeast Lincoln.

IBACH: Teresa Ibach, District 44, 8 counties in southwest Nebraska.

von GILLERN: Also assisting the committee today to my right is legal counsel, Sovida Tran, and to my left is our legal counsel, Charles Hamilton. To the far left is committee clerk, Linda Schmidt. For pages-- for the-- for today, would you please stand and introduce yourselves? I know you love this part.

LAUREN NITTLER: Hi, my name is Lauren. I'm from Aurora, Colorado. I'm in my second year at the University of Nebraska-Lincoln, and I'm studying agricultural economics.

IBACH: Still.

von GILLERN: Good job.

JESSICA VIHSTADT: Hi. My name is Jessica. I'm from Omaha, Nebraska. I'm in my second year at the university, and I'm studying political science and criminal justice.

von GILLERN: Very good. Thank you, again, for your help today. With that, we'll begin today's hearing with LB547 and welcome up Senator Rountree. Good afternoon.

ROUNTREE: Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Victor Rountree. V-i-c-t-o-r R-o-u-n-t-r-e-e, and I represent District 3, which is made up of Bellevue and Papillion. Today I'm here to introduce LB547, which would exempt disabled veterans from the state motor vehicle tax. This bill has been brought multiple times in recent years, with the most recent iteration being LB10, from 2023, brought by Senator Carol Blood. There was a large amount of support among veterans for this bill. Disabled vets are often on a fixed incomes and can have difficulty making ends meet, especially as inflation continues to climb. Disabled veterans have various medical needs that require them to travel for appointments. Having a reliable form of transportation is extremely

important to ensure they are able to keep up with their doctor's visits and stay healthy. Removing the state motor vehicle tax will help ensure that our disabled veterans are able to afford their means of transportation. I understand that there is a state-- the state faces a large budget shortfall and it may be hard to picture cutting sources of revenue. I encourage the committee to consider this bill as a way to support our veterans. And I will be happy to discuss possible amendments to narrow the bill if needed. I appreciate your attention to this bill, and would be happy to answer any questions that you may have.

von GILLERN: Thank you for your opening. Questions from the committee members? Senator Kauth.

KAUTH: Just one. So when you're talking about the blind veteran, it would be a vehicle that's owned and used for the blind veteran, so I'm presuming somebody else is driving, but do they still have to own it.

ROUNTREE: They'd own it. They'd be registered. Yes.

KAUTH: They own it. OK.

ROUNTREE: Yes, absolutely.

KAUTH: I just want to make sure.

von GILLERN: That is a very good question, actually.

ROUNTREE: No, that's an excellent, outstanding question. Outstanding question.

KAUTH: Just, just so if somebody else is driving the car, so it's owned by the veteran. That person gets the, the exemption.

ROUNTREE: Yes.

KAUTH: They're having someone else drive it.

ROUNTREE: The disabled veteran.

KAUTH: Thank you.

von GILLERN: Thank you. Senator--

ROUNTREE: Thank you so much. That was a good question.

von GILLERN: Senator Jacobson.

JACOBSON: Well, I would-- just wanted to point out that there is Braille on drive-up ATMs, and that's a requirement.

ROUNTREE: All right.

JACOBSON: But, but I will tell you one reason for that is, they may be a passenger in a car and they can drive up and utilize it, but, but yes, that does seem counterintuitive. So, yeah.

von GILLERN: Thanks for the clarity. I do have a quick question. The, the fiscal note, in item 1, says-- just describing the disabled. It says the presence-- existence of a service-connected disability. And I know this from a, from a family member. There-- it's almost more unusual to leave the service without some form of disability than a form. There have been other bills that had, for lack of a better term, scalable percentages of disability. This, I believe yours mean-- implies anyone who has any level of disability. That could be a slight hearing loss, it could be a knee injury, it could be a lot of things. Is that--

ROUNTREE: Yes, sir.

von GILLERN: --the intention or am I not reading that correctly?

ROUNTREE: No, that-- that's our intention. Service-connected--

von GILLERN: OK.

ROUNTREE: --disability.

von GILLERN: OK. All right. Thank you. Any--

ROUNTREE: And that will be clarified even further as our testifier comes.

von GILLERN: OK. Great. Thank you. Any other questions? Seeing none, I would encourage you to stay close.

ROUNTREE: Yes, sir. I will. Thank you.

von GILLERN: Thank you. All right. We'll invite up our first proponent.

MELISSA ALLEN: I can't believe I'm the only one.

von GILLERN: That would be you. Thanks for being here today.

MELISSA ALLEN: Yes. My name is Melissa Allen, M-e-l-i-s-s-a A-l-l-e-n. I'm here today to represent the DAV, Disabled American Veterans, Department of Nebraska, and the Nebraska Veterans Council, which is the legislative voice of all 9 veterans' service organizations in Nebraska. So Chairman von Gillern and distinguished members of the Revenue Committee, we, veterans of Nebraska, thank you for the opportunity to submit the testimony on LB547, and thank you to Senator Rountree for the introduction of this bill. The veterans of Nebraska greatly appreciate your dedication to advocating on our behalf. And thank you for your service. I can't see him over there. So I, I really can't add much more to my testimony, other than what Senator Rowntree has already added. But what I'm reading this bill as is nothing more than a redefinition of terms from antiquated bills, such as the redefinition of veteran. And then just a-- I'm gonna provide a little, provide a little more feedback on Senator Kauth's question and your question, as well. So blind, right now, according to the Department of Veteran Affairs and Nebraska state law, shall mean a veteran who sight is so defective as to seriously limit his ability to engage in the ordinary vocations and activities of life, so that does not necessarily mean 100%--

KAUTH: But probably not driving.

MELISSA ALLEN: --blind, but-- so there's a little leeway in that one. And then also the-- this would apply to veterans disabled. We can't necessarily jump forward and assume the full tax bracket, bills that have not been passed yet, so say an exemption for 10%, 20%. So, so it's a little different with the motor vehicle exemption than it is for say, LB, you know, 425, 272, a little bit different. And then, I just want it on record that, once again, I question the data that's on the fiscal note, because I always do. So just, just a quick questions on what they have used, the different departments, on the data included in this. So one, using a loose estimation of veterans that will utilize this example-- or this exemption. So is the calculation done including the number of those 43,000 veterans that are already using this exemption? So I don't think the DMV has a clear definition of who's already getting the exemption versus who would. I think their numbers just include all of disabled veterans in Nebraska, and saying this many more would qualify, when most of them already do. Two, not regarding the median household income of a Nebraska veteran. Example-- is this an estimate of $450 on average done with median data of a Nebraska resident or with median data from veterans in Nebraska, because not many veterans can afford to buy a vehicle that's going to average out at $450 in taxes. And then, is any of this data using estimates of bills that have not passed, whether it be last year, this

year, you know, just to, to allow more veterans to get the exemption? So those are just my questions on the--

von GILLERN: Thank you.

MELISSA ALLEN: --fiscal note to consider.

von GILLERN: Thank you. Any questions from the committee? OK. Added clarity to her questions. Thank you for being here today.

MELISSA ALLEN: Thank you.

von GILLERN: Are there any other proponents for LB547? Seeing none, are there any opponents? Seeing none, anyone who would like to testify in a neutral capacity? Seeing none, Senator Rountree, would you like to close or would like to waive closing or--

ROUNTREE: Would you like an answer?

von GILLERN: As you come forward, we had 3 proponent testimony, zero opponent, and 1 neutral filed online.

ROUNTREE: Thank you so much, Chairman von Gillern and to the members of our Revenue Committee. And we've heard the testimony. We looked at the bill. And so as we have continued to support our veterans, especially our disabled veterans here in the state of Nebraska, they've sacrificed their lives to the service and dedicated their lives to the service of our country. And I think advancing this bill as a way of helping them was just another way to say thank you. So with that, I'm open to any questions.

von GILLERN: Any questions from the committee? Seeing none, but I know I express the thoughts of the committee in thanking you for your service and our proponent for her service, also.

ROUNTREE: Thank you, sir.

von GILLERN: Thank you for being here today. That will close our hearing on LB547.

ROUNTREE: All right. Thank you so much, sir.

von GILLERN: Thank you. Yeah. Sovida caught me. You guys both get me from both sides, which you need to. Sit tight for a moment or two. Can you pause and kill the mics, please? Oh, never mind.

JACOBSON: Here she comes.

M. CAVANAUGH: I apologize. I was in the middle of asking Director Jeffreys a question about the budget, and I didn't want to just leave while--

von GILLERN: I'm not sure, I'm not sure any of us had 1:44 in the pool for-- to start your, your hearing, so.

KAUTH: Fast.

von GILLERN: Welcome, Senator Machaela Cavanaugh. You're welcome to open on LB107.

M. CAVANAUGH: Thank you, Chairman von Gillern and members of the Revenue Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a Ca-v-a-n-a-u-g-h. I have the privilege of representing District 6, west central Omaha. LB10-- LB107 would implement a refundable income tax credit for renters of a home-residence within the state of Nebraska. The proposed credit would be the greater of 4% of the total amount of rent paid a taxable year or $200. The credit has a cap and shall not exceed $1,000. Should let-- this legislation pass, the tax credit would begin in the tax year 2025. There is growing concern that property tax credits granted to landlords are not being passed down to renters. This measure is designed to provide direct relief to renters in place of the property tax credits already available to property owners. Collective Impact Lincoln, a partnership between Nebraska Appleseed and Civic Nebraska, was not able to testify, but submitted an online comment in support of the legislation. I'm sure you all are very sad about that, considering you had such a long day yesterday. But I would encourage you to read their testimony, as it explains the current state of affordable housing shortage in Nebraska. And so basically, this is a bill that I brought before. And I will say, an unintended consequence-- I-- we just asked the Drafters to just redraft the bill from before. And it was a different drafter, a new drafter, and so the draft was actually a little bit different. And I didn't notice until yesterday, which I should have, but it actually does more than just the tax credit. And so, I had my office draft an amendment. But then I was like, well, after today's conversation, maybe this is an opportunity for a vehicle to reassess how we are funding government. And so I will have the pages pass out the amendment that strikes the repeal of the tax credits for your enter-- for you to entertain. I heard a, a testifier this week, say opine-- for you to opine on this amendment. I-- or I, I mean, you might just love the bill as it is. I don't know. So there you have it. I'm happy to take any questions.

von GILLERN: Thank you. Let-- let's wait till the amendment is passed out. Any questions from the committee? Senator Bostar.

BOSTAR: Thank you, Chair von Gillern. Thank you, Senator Cavanaugh. I just, you know, regardless of the initial intent, I think I speak for everyone when I say that we don't get a lot of bills that bring in quite so much revenue and, you know, just appreciate the effort.

M. CAVANAUGH: I-- I'm happy to help with the shortfall.

von GILLERN: Thank you, Senator Bostar. Any other questions? Senator Jacobson.

JACOBSON: Well, I would just say that --I, I just want to kind of have it on the record that I-- I'm always a little confused giving renter tax credits because-- with the argument that property taxes-- any reduction in property taxes aren't being passed through. And the reason they're not getting passed through is there are none. OK. Property taxes just keep going up.

M. CAVANAUGH: I know.

JACOBSON: And, and so, again, it's, it's fairly simple math for people that own real estate and rent it out. And, and it's not all big corporate conglomerates. It's a many, many smaller companies, mom and pops, individuals that form an LLC, buy some rental property, borrow the money to buy the property, put their down payment in, so by the time they pay taxes, property taxes, insurance, principal, and interest, they come down to what they need to charge for rent. And I can tell you, as I look through the math, they're lucky to get that back, that-- bottom line, many case, they got to put more down payment in, lower the amount of debt on the property in order to make that work under the current numbers. So it still seems to me that people are screaming for property tax relief. And, and, and the more we can focus on property tax relief, that will encourage more housing to be built, if they can afford to build the property and make this all work. So I still think that our problem here is we don't have enough housing, and that's what's driving the rents, more so than, than-- and, and I think if we use whatever credits were used for property tax relief, we could actually fix the problem of not enough housing by building more, which-- and I don't know if you follow that.

M. CAVANAUGH: Yeah.

JACOBSON: Does that make sense at all?

M. CAVANAUGH: Yeah. I, I-- I'm following what you're saying, and, and I appreciate that. So the reason that I brought this bill, now twice, is because the Property Tax Credit Fund is funded by income taxes, and the people who are renters are paying into that fund but not benefiting from it. And so, I'm trying to find a way in which those that are funding the fund also get a benefit from it. But I, I, I, I follow your logic, and I think that that is very sound thinking. I, I, I think that both can be true at the same time. But I think, I think-- and I've been very vocal about this, that we're going about property tax relief in the wrong way, and we have been since we passed LB1107. And I would like to see us funding those things that in '08 and '14, we, we cut our budget at the state level and pushed unfunded mandates down to counties and municipalities. And they have to use property taxes to pay for that. And if we went back to those budgets and looked at those and things that we have-- are requiring by law that they do and provide service for but we don't pay for it, if we went and looked at that and actually reevaluate it and took the Property Tax Relief Fund to pay for those things, then we would see property tax relief as a number on property tax.

JACOBSON: Well, again, to quote our mutual friend, Senator Erdman, former Senator Erdman-- we-- part of what's happening today is we're reducing the growth in property tax costs. That's what we've done in the last few years. And renters can benefit from that, and that's-- that would be my point, but I hear what you're saying. Thank you.

von GILLERN: Thank you, Sen-- thank you, Senator Jacobson. Thank you, Senator Cavanaugh. I had a quick question. The amendment, what would the impact-- did your staff run a impact on the fiscal note?

M. CAVANAUGH: I think the-- well-- the fis--

von GILLERN: Does it basically eliminate the--

M. CAVANAUGH: It would eliminate the cash fund, the, the savings of $230 million.

von GILLERN: OK.

M. CAVANAUGH: But if you want to do the complete opposite of my amendment and eliminate the tax credit but keep the, the stricken part of my bill, then we would eliminate the fiscal note of $250,000, and we would put $230 million back into the budget.

von GILLERN: OK. So clearly we have options.

M. CAVANAUGH: We've got options.

von GILLERN: All right. Thank you.

M. CAVANAUGH: We can, we can-- the world is our oyster.

von GILLERN: Thank you, Senator Sorrentino.

SORRENTINO: Thank you, Senator-- or Chair von Gillern. I like to toy with numbers a little bit. I'm trying to figure up-- the proposed credit refund is $200 or 4% of the total. So if you do the math, that's $25,000 of rent paid a year by 12. So this is going to benefit people who paid $2,025 per month in rent. Are there-- any-- anything above that-- there's a lot of it they don't get any benefit from this. It's just up to $2,025 rent per month. How did you land on that number?

M. CAVANAUGH: Well, trying to keep the fiscal impact to a minimum and trying to also take into account what the average income for property tax credit is for people that are living in these same communities where they rent.

SORRENTINO: And I apologize, because I'm not-- I don't know much about rent.

M. CAVANAUGH: I am open to raising it.

SORRENTINO: Well, that wasn't really where I was going.

M. CAVANAUGH: Oh, all right.

SORRENTINO: But I was, I was just-- I don't-- is a $2,025, is that a one-bedroom apartment? Is that a three-bedroom apartment? Is there any analysis going into that? I just kind of wonder where the number came from.

M. CAVANAUGH: You know, that's a great question. I'll have to get you an answer on because I introduced this last year, and so I think it probably was a carryover from there. And I will-- I'll just have to get back to you.

SORRENTINO: Thank you.

M. CAVANAUGH: I apologize. But I'm happy to raise it if you want.

von GILLERN: Thank you. Senator Dungan.

SORRENTINO: I'll leave that to my fellow senators.

DUNGAN: Thank you, Chair von Gillern. And thank you for bringing this. I think it's an important conversation to keep having. Just to briefly answer, I think, Senator Sorrentino's question through a question. If I were to say that maybe like a three-bedroom apartment would go for like $2,000 a month, would that sound right to you?

M. CAVANAUGH: If you say so. I have been a homeowner for 10 years, so I no longer know what the market is. But I--

DUNGAN: The last-- yeah.

M. CAVANAUGH: --I will say that sounds reasonable.

DUNGAN: The last apartment that I was in was 3 bedrooms and it was about $1,800 a month.

M. CAVANAUGH: OK.

DUNGAN: So we're talking about most apartments. I think that that would probably cover, but we could-- it depends on markets. We can have that conversation.

M. CAVANAUGH: Yes.

DUNGAN: But just for context of color in the conversation.

M. CAVANAUGH: Yes.

DUNGAN: Thank you.

von GILLERN: Thank you. Seeing no other questions. Thank you, Senator Cavanaugh. Will you stay to close?

M. CAVANAUGH: If there's anybody who testifies, sure.

von GILLERN: Don't go very far. We'll invite our first op-- first proponent. Seeing none, we'd invite any opponents. Seeing none, anyone who would like to testify in a neutral capacity? Seeing none, Senator Cavanaugh, would you like to close? Senator Cavanaugh waives closing.

M. CAVANAUGH: Thank you all so much. Have a great weekend.

von GILLERN: Thank you. We had 7 proponents, 11 opponents, and zero neutral online testimony. That'll end our hearing on LB107. And we will open a joint hearing on LB28 and LB30 with Senator Conrad.

CONRAD: Thank you, Chair von Gillern. Thank you, members of the Revenue Committee. Boy, you're about to, perhaps, set a land-speed record in the Revenue Committee, so don't let me stand in your way, in between this hearing and what should be a lovely and well-deserved weekend for all. I want to thank the chair for his discussions and feedback in regards to curating the hearing today, and appreciate having the opportunity to raise and introduce LB28 and LB30. For the record, my name is Danielle Conrad. It's D-a-n-i-e-l-l-e Conrad, C-o-n-r-a-d. I represent north Lincoln in the Nebraska Unicameral Legislature. I introduced LB28 and LB30 at the very earliest days of session. As I was following the presidential campaign last year, as most of us were, and many Americans, and one part of the public discourse in regards to our presidential sweepstakes that really caught my eye and that was a shift from discussion in our tax policy. And we saw it become a rather prominent point of debate and dialogue on the campaign trail adopted by both candidates, President Trump and Vice President Kamala Harris, to raise the idea of making tips and overtime tax exempt. And what I thought was very interesting about that was that it really refocused key components of our tax debate on the plight of a lot of working Americans, and trying to figure out if there was a way, through our tax policy, to help more working people keep more money in their pocket. So from that point, President Trump has kept true to his word and has continued to focus on policies like tax-exempt overtime in tips, in his budget and in his public statements. In doing more research on the measures, I, by no means pretend to be an expert, but I'm an enthusiastic student, and I've had the opportunity to see fairly negative critique and analysis of these proposals by tax experts across the political spectrum, on the right and on the left, for different reasons. I appreciate and I understand the principal policy analysis that they're bringing forward in regards to why these may be inadequate vehicles to advance policy goals to support working families, and I think you'll see some of that same feedback and negative critique reflected in online committee statements or other communications you may have received on these measures. But let me also point out the fact that, particularly those who are advocating for more equity in our tax code, have said the better way to go about helping working families, instead of tax-free tip or tax-free overtime, is to do things like increasing the earned income tax credit, is to do things like developing a child tax credit, would be making some strides or movement in addressing the subminimum wage in regards to the tipped wage, for example. Those are the policy proposals that they feel would have a better opportunity to benefit working families. I don't necessarily disagree with that. But what I do know is that the political reality is, is that we have been able to

receive any sort of movement or traction on increasing the earned income tax credit, or developing a child tax credit, or increasing the tipped minimum wage. So I think this committee is probably familiar, but I'll state it for the record. We don't have enough time today, even on, hopefully, a no-question Friday. But if this, if this committee hearing were to extend to midnight, I don't think that would allow me enough time to catalogue my disagreements with President Trump. But I do commend him for lifting up these issues to shift the focus and the debate and the dialogue in how to ensure more equity for working people in our tax code. And so even though the think tanks on the right and the left that look at policy-- tax policy every day disagree with these proposals, I was looking at polling from this summer, which showed almost 70% of Americans agree with proposals like this, including over 65% of Democrats, over 68% of Republicans. And while polling and public sentiment can't be the only impetus for our policy making, it also shows me what I know in talking to people in my district, that working families are crying out for some sort of relief. They're working harder and harder and harder. And because of inflation and because of other factors, it's harder for them to make ends meet, with increasing costs in groceries, in transportation, in housing, in childcare. So perhaps these proposals are not the right proposals to move forward, but I do think they have incredible merit. And I do think perhaps we can find some threads to help us build some common ground if it comes to lifting up working families in our tax code more discreetly. And I think that these proposals have a lower price tag than you see for EITC or CTC, generally. They perhaps don't run into the same sort of business opposition that you may see frequently, when it comes to raising the tipped minimum wage. So perhaps there is something here that we can think about and dialogue about, and if perhaps not take forward strides this year, can keep the measures alive in case we see changes on the federal level. The final point that I will leave you with is this. These measures not only have elicited wide support in the political spectrum amongst the electorate, but there are similar companion proposals in many of our sister states and on the federal level that have been introduced, and they have bipartisan support. The senators from Nevada have joined with Senator Cruz to put forward measures like this in the U.S. Senate. And again, I think it, it is an interesting emerging issue which is worthy of discussion. I'd be happy to answer any questions.

von GILLERN: Thank you. I'm actually-- don't normally do this. I'm going to kick off with a couple of questions that I have. Because we had, we had--

CONRAD: We have.

von GILLERN: --some really good conversations around this, so I want to kind of recap that for the committee. One of the concerns that I shared, and I'm curious if you had an opportunity to do any homework on or any research, is-- and I don't know a lot about, you referred to it as a subminimum wage--

CONRAD: Mm-hmm.

von GILLERN: --which, I've never heard that term, but it's very appropriate because typically, as we talk about tips, we typically think of servers. They don't earn minimum wage. And I, I honestly don't know how that happens, why that happens. Can you, can you fill in the committee at all on the, the structure around that-- how that, how that happens in the state of Nebraska?

CONRAD: Sure. I'll do my best to at least give you some, some general descriptions that I understand them. So minimum wage policy is, you know-- been our national and state policy for decades, I think maybe since the 1940s on the federal level or something like that. There has always been exclusions to minimum wage policy on the state and federal level. Think, for example, some-- ag workers, right? Domestic workers, babysitters, very small businesses. I think the cap in Nebraska presently excludes minimum wage protection from businesses with 4 or less employees, for example. These are the types of exclusions or exemptions from minimum wage that we're all familiar with that are part of the policy. There's also what's called the subminimum wage, which is something that is afforded special treatment under general application of minimum wage laws, for sometimes disabled workers, youth training wages, and then the tipped minimum wage for servers is usually part of that discussion. So in Nebraska, I think our tipped minimum wage has been at $2.13 per hour for many years, despite the fact that our general minimum wage, so to speak, has increased significantly through both legislation and to-- through 2 citizen initiatives in the past 20 years. While the general federal minimum wage, I believe it remains at $7.25 an hour or so, if that's helpful.

von GILLERN: That's helpful. In fact, when in our early days of marriage, I think my wife was earning $2.13 an hour on the check as a server in, in our, in our early days, so that, that makes sense. So a good server at a, at a good, you know, mid-range to maybe nicer-range restaurant can pretty reasonably earn 30, 40, $50,000 a year. So we would be exempting 95-98% of their income from tax under this proposal. And you and I talked about--

CONRAD: Yes.

von GILLERN: I would be--

CONRAD: We have.

von GILLERN: I would actually be more comfortable with adjusting that subminimum wage, rather than the income on tips. So any further thoughts on that?

CONRAD: Yeah. I, I think that if there's a better way to help working people keep more money in their pocket, whether that's adjusting upward the, the tipped minimum wage or through a proposal like this, I'm, I'm 100% open to exploring all options. One thing that did pop up in my research, as well, which I thought was very interesting on that very point, Senator von Gillern, are, are two things. Some of the proposals that have been put forward either on the state or the federal level have actually created by program design some sort of ceilings on the amount of tips that may be available for tax exemption, to get after maybe some of those very high-end restaurant kind of situations, I guess, so to speak, and to ensure the core point of the proposal, which is equity for frontline workers. The other thing that I think is interesting about these proposals and it kind of ties in with a measure Senator Hallstrom had before the body this year, as we see a rise in the gig economy become a bigger part of our employment picture, tips are a really important part of the gig economy as well. And so when you look at how our economy is evolving, tipped minimum wage not only impacts servers and bartenders, it also impacts hairstylists and barbers and ever more people employed through the gig economy, as well. And I know there's a lot of consternation in our everyday life and in the research that Americans are becoming increasingly frustrated with the amount of times you're asked to include a tip, when you go through the Subway drive-in or, or otherwise. And so thinking about how these policies may shift to putting more pressure on consumers to tip and away from employers paying ba-- basic compensation is something interesting and something we would need to think about. So in getting after your point, if it's increasing the subminimum wage for tip workers, count me in. If it's putting a cap in place, I think that's appropriate to discuss. But it, it is kind of an Interesting point we find ourselves in, in terms of our expanded treatment in regards to, to tipped.

von GILLERN: So the last point, and you, you make a great point with that, I'm using services as an example. That's the easiest one to come to mind, but it is far more-- I, I may know of golf caddies in the summertime--

CONRAD: Right.

von GILLERN: --that could earn $1,000 a week if they work pretty hard. That's--

CONRAD: Right.

von GILLERN: Now, that's a different situation, but, but certainly one to consider. So my last comment--

CONRAD: Yeah.

von GILLERN: --would be, and this is something that I've heard you speak passionately about on the floor, about get-- granting favoritism to certain industries or certain areas of work. I think of-- in, in my personal history, obviously, coming from the construction industry, trade workers that might be making 30, 40, $50,000 a year, that would be paying a full load on their income versus someone who chooses to, to work in a gig job or a serving job that would, that would receive a different level of favoritism. So anyway, I, I, I, I just wanted to share--

CONRAD: Sure.

von GILLERN: --verbally some of the conversations that you and I had had.

CONRAD: Yes, and I, I appreciate that, and, and thank you for opening up that dialogue. Because I think those are important points. I, I think that my goal is just to ensure that we have some sort of component in place. If we're going to be talking about taxes and budget, I, I think we should talk about everybody's taxes. And we haven't been able to get traction on the best tools to help working families succeed. So if perhaps an idea from the right is a better way to get there, I will embrace it in good faith to try and figure out how to accomplish that goal.

von GILLERN: Thank you. Questions from the committee? Senator Bostar.

BOSTAR: Thank you, Chair von Gillern. Thank you, Senator Conrad. I have two questions that I should know the answers to, but I, I, I, I can't recall.

CONRAD: No way.

BOSTAR: So maybe in the pursuit of, of this legislation, you've come across it. One is on tip minimum wage. If someone who's subject to sort of the, the legal allowances of tip minimum wage, if they don't make up to minimum wage within that period, they default to it?

CONRAD: Yes.

BOSTAR: And do they default to-- and this is what I want, do they default to federal or state?

CONRAD: I believe state.

BOSTAR: OK.

CONRAD: And you're, you're right. I, I kind of got off on a tangent when answering Senator von Gillern's question. But conceivably, how it's supposed to work is that the employer is supposed to make up the difference there, if, if the tips do not. Right. And so typically, that's not the case--

BOSTAR: Sure. Yeah.

CONRAD: --but that is how it's supposed to work. Yeah.

BOSTAR: And then the second question is, because this is so front and center nationally--

CONRAD: Yes.

BOSTAR: --with how we've coupled income taxes--

CONRAD: Right.

BOSTAR: --state and federal, would we-- so if, if the feds did this, would we essentially all automatically be doing it, too, or is this something that falls outside of the coupled relationship of our tax codes?

CONRAD: Thank you, Senator. I would probably demur in response, and leave that to learned counsel, to maybe help us sort out from a technical perspective. But I think you're right, is that generally, Nebraska has a pretty well-established public policy that we're going to generally mirror the approach on the federal level, to ensure simplicity for our taxpayers.

BOSTAR: I think in statute, we just automatically do.

CONRAD: That could very well be. And, and I, I was going to say, I think we would need to take specific action, but perhaps not. But it-- you may know better than I, in terms of, of the mechanics or the technical aspects.

BOSTAR: And the only reason I, I bring it up, and so I don't know if it's of value for the committee though, but it was a big conversation on the Revenue Committee a couple years ago, when the feds did-- I guess more than a couple-- when the feds did-- changed the SALT deduction.

CONRAD: Ah, yes.

BOSTAR: It automatically rolled down to Nebraska. And so there's, there's been-- less so in this year and last year, but--

CONRAD: Right.

BOSTAR: --there's just always been a big conversation about provisionally decoupling on select things. And so I just didn't know if, if the feds did something on tipped wages, if that hit us automatically or, or selectively.

CONRAD: No, that's a great question, and I'd be happy to follow up with the committee afterwards on the technical aspects. I do remember the SALT discussion and some of the fiscal implications thereof, and I know that it's-- it kind of works both ways as well. Nebraska has taken strides forward in exempting Social Security income from taxation, and rightly so, for a variety of good policy reasons. Now, the feds haven't moved in that direction, so we have a disparity there. So I think it kind of is a, a, a push and pull kind of from the federal and state level. Senator Sorrentino may know off the top of his head and he may, he may benefit the record and our education. Yes.

BOSTAR: Thank you.

von GILLERN: Senator Sorrentino.

CONRAD: Thank you, Senator.

SORRENTINO: Thank you, Chairman von Gillern. Just an observation. I don't think we have anybody testifying for a chamber or other business, but I foresee a lot of businesses kind of being unhappy that we'll take an employee who works, you know, at a restaurant-- well, you were mentioning, Senator von Gillern, how much money you can make a high-end steakhouse. They make $75-80,000 a year, most of which

would not be taxable. Those businesses that are not in the service industry-- we'll pick banking, because we know from Senator-- that, you know, they're notoriously underpaid. They're poisonous. And that person makes $50,000-- gonna pay a lot more tax than the person who made 80. And I just foresee some opposition. Just an observation.

CONRAD: No, I, I-- thank you, Senator Sorrentino. And, and part of that very discussion is in some of the analysis. Tax experts, particularly those on the right who guard against gamesmanship in terms of disruption for current employee structures or pay scales, and I've seen at least an article or two about what if lawyers, for example, were paid via tip instead of billable hours. And boy, was there a lot of hair on fire in reading those articles. But I-- it, it kind of goes to the same concern or slippery slope or uncertainty that, that giving a differential tax treatment that is presently afforded may shift in some industries, and that may have unintended consequences [INAUDIBLE].

SORRENTINO: It might be tough for the other industries to recruit employees.

CONRAD: It could be.

SORRENTINO: You got to pay taxes here. If you go over there, you don't have to pay taxes.

CONRAD: It could be. And there are some just general concerns about administrative burden for the employers, in trying to sort this out to make sure that they have the right stream, subject to the right level of taxation. I've seen some of the, the research indicate those criticisms or concerns. I've also-- know that our sister state of Alabama, for example, has moved forward with a pilot program to look at making overtime pay tax exempt for at least a couple of years. So we're getting kind of a, a real-life example in the laboratories of democracy to see how that might shake out. In addition to trying to provide some equity in our taxation system, there's also a sense that it can be helpful to employers in encouraging people to maybe pick up an extra shift when they wouldn't have otherwise. And so it's kind of interesting to see how, how that's playing out in Alabama, and we'll have to keep a, a close eye.

SORRENTINO: The last observation and I'll be quiet. If, if, if President Trump's text that we're no longer going to tax tips and we follow suit, there is a --and I don't think it's probably reflected in the, in the fiscal note-- the bright side of that is on the federal

side, you're not doing matching FICA, which is a, is a huge amount, and it might trickle down to state unemployment as well, so there might be a bright side just to think about.

CONRAD: Yeah, they're very well could be. And you know, one thing that was really interesting after I introduced the measure, I got some outreach from folks in the restaurant industry. And they say, boy, we have been at odds in regards to tipped minimum wage increases with, with you and your colleagues over the year. But we really like this proposal because it's not about the employee and the employer fighting each other so much in terms of the tax policy, but they almost-- and it was an interesting description. They described it as almost like the employees and the employers are coming together against the government. And I was like, oh, that's a very interesting kind of description that I hadn't thought about yet. So-- but you're right. There, there's many tentacles beyond the policy proposal itself, and so we'll see what, what shakes out on the federal level, too, perhaps.

SORRENTINO: Thank you Senator Conrad.

CONRAD: Thank you, Senator.

von GILLERN: Senator Jacobson, would you like to defend the banking industry?

JACOBSON: Well, I, I have to. But, but I--

CONRAD: I did not--

JACOBSON: But I'm not on solid--

CONRAD: --put any attacks on the table.

JACOBSON: I'm not on real solid footing here. I just, I just want you to know that, that when the pandemic hit, I will tell you that we were having trouble hiring tellers, because McDonald's was paying more because they couldn't hire people, and so they just kept moving the minimum wage up by the wage they would start them at, so it forced all of us to move up. So I would tell you that these, these nuances that we do, do have an impact. And, and I think, Senator Sorrentino, you're correct that, that when you start looking at-- and Senator von Gillern's point on tips for, for service. I mean, tips are the big part of the wage. And so then you start thinking about-- I think most restaurants spread, spread those tips out with the people in the kitchen and elsewhere. But if they're not included, then do they start-- all want to be a server where they can be tipped, or are we

now going to start tipping the person at, at-- that-- the greeter at Walmart, and are we going to-- you know, where does it end? But so-- I, I-- it, it does have movement there. And, and I would just-- that-- that's one of the things I guess that I look at. And I appreciate Senator Conrad, your willingness to be-- being-- looking at what's the right answer here? You know, the SALT taxes, I think Senator Bo-- Bostar mentioned, you know, SALT taxes were something done at the federal level in terms of the limitation on how much you can write off on your federal tax return, but we don't have that limitation at the state level, so we, we created the PTET. PTET, and so, pass-through entity tax, so that we could actually pay taxes through the pass-through entities, not limit our ability to do the federal deduction, and so that's what we did to work around that. But I just-- would just caution that, in my mind, any of these proposals will have an unintended consequences. And, and we can never anticipate all of them. But that would be one of my ongoing concerns is what are all the unintended consequences? And I appreciate Senator Sorrentino's expertise in doing a lot of work on, on taxation, tax returns and accounting that you can see. What impact would this have on state unemployment being paid and all of these other issues that, that come into play? So I, I, I think this is a starting point, but there's a lot of work to be done.

CONRAD: Very good.

von GILLERN: Thank you.

JACOBSON: Thank you.

CONRAD: You know, the, the last piece I would just note, as well, Senator, is that we're all well aware that we have workforce challenges and a lot of unfilled jobs. And we got to figure out how to, to help everybody stretch more to make sure our economy works. And we also know that, for example, in a lot of the toughest jobs that we have in Nebraska, like working in the front lines of our prisons, people are working mandatory overtime for years. Double shifts are commonplace, and it causes really significant physical strain and mental strain and time away from home and family and community, as well. And I think some of the feedback that I've heard from folks since introduction of these measures is that at least it feels like somebody is listening to how hard people are working, that they really are working hard, they're working mandatory overtime. They're trying to play by the rules. Right? They're not on public assistance. They're raising their kids. They're putting in 40 plus hours a week, and they still can't keep their head above the, the-- above water, because of

childcare and housing inflation and gas and eggs. So if we could figure out some way to just help them have a little acknowledgment for that hard work and make the economy work better for working families, there's, there's something here. There's some-- there's something there that I think we need to tease out and build on. And maybe it's not this specific proposal, but there's, there's something real there. And I know Senator Murman will remember this. It's, it's not exactly related to tips or overtime, but it was very telling. We had a hearing just this week in Education, where we heard from paraprofessionals who are working in our schools with a lot of disabled kids and helping out teachers, and they're working at school, and many of them going to school to become teachers and help fill the worker shortage. They don't get paid on snow days, and we've had a handful of snow days this winter to keep everybody safe-- all the kids safe. And their family budget crumbles when they miss a day of pay. They were willing to go to school and help out even though the kids weren't there. But they don't get paid on snow days. That's, that's how precarious many of our constituents-- that's the kind of precarious situation they find themselves at their kitchen table. And it was, I think, a very illuminating hearing to have a chance to hear from those folks who are working really hard on the front line and, and trying to pull their way up-- themselves up the economic ladder, right, but are in a, a tough spot now.

von GILLERN: Thank you, Senator Conrad. All right. Seeing no other questions--

CONRAD: Thank you.

von GILLERN: --will you stay to close?

CONRAD: I will. I don't think I'll probably need it, but I'll be here--

von GILLERN: All right. Thank you.

CONRAD: --just in case something pops up. Thank you. Thank you for your time.

von GILLERN: We'll invite our first proponent. Is there a proponent? Good afternoon.

JUSTIN HUBLY: Good afternoon, Senator von Gillern and members of the committee. My name is Justin Hubly, J-u-s-t-i-n H-u-b-l-y. I'm the executive director of the Nebraska Association of Public Employees, NAPE/AFSME Local 61. Our union represents over 8,000 frontline state

employees. They work for 43 different state agencies in all 93 counties, and they perform over 400 frontline jobs. I'm here today to speak in favor of LB30. I'll tell you, our, our, our committee had a long talk about this bill and whether we would be a proponent or neutral. Our members take great pride in serving their fellow Nebraskans. And so we realize that the revenue that is taken in runs the state to provide the services, but also pays their salary. And so the reason we came in support is for some of the reasons that Senator Conrad just highlighted surrounding overtime, so I'm really focused on LB30. A number of our members-- corrections is the most visible-- where they're assigned mandatory overtime, but it's also very frequent at the 4 veterans homes and the DHHS 24-hour facilities. And it's a vicious cycle. Because we're short-staffed, so we assign mandatory overtime. So I work many more hours, so I quit, and we become more short-staffed, and it's just a vicious cycle. During the pandemic, we negotiated with the governor and came to a temporary solution, because there was some ARPA money available, where we paid double time for voluntary overtime. The idea was to incentivize people. When people have some control over their work schedule, it's not as bad. I can volunteer this day. My kid doesn't have a soccer game. I can volunteer this day. There's not a birthday party. But when you're being mandated to work overtime over and over and you miss family events to serve the people of Nebraska, or you miss your kid's soccer game because you're serving the state of Nebraska, it's a tough position to be in. So we feel that LB30 is a way that could incentivize people to work overtime. In a perfect world, we'd be fully staffed and overtime wouldn't be necessary. So we feel that there's some control that could be given there. But we're also aware of the budget shortfall that the state is facing, and we don't want to be in a position where we're harming ourselves to get a tax break on overtime. But I think for the reasons that Senator Conrad highlighted, we need to do something to incentivize the people who are doing the most for the least amount of pay. I'd be happy to answer any questions that you have.

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

JUSTIN HUBLY: Thank you so much.

von GILLERN: Next proponent. Are there any other proponents? Good afternoon.

JON NEBEL: Good afternoon. My name is Jon Nebel, J-o-n N-e-b-e-l. I'm here on behalf of the Nebraska State Council of Electrical Workers. Just to echo Justin's point, yep, we would work overtime more. A lot

of times on the job, you hear people say, well, I'm not going to work the overtime. The government's just going to take it all-- take everything anyways. So there's disincentive there. But also, this is, this is something for the hardest working Nebraskans. Right? Like, these are the people that are working the extra hours, making sure the business can stay afloat, and, and they should be considered in this if we try to find ways to make it right for them. So the handout I provided is kind of a breakdown of what it would look like for, for me and, and the people in my industry and what we would be able to pay for. I like round numbers, so I kept it at overtime was $100 an hour. That is not what I make for overtime, but that's-- it's a nice round number. So, 1 hour gets me a carton of eggs, 5 hours gets me a box of diapers, 10 hours gets me formula for the kid, and 100 hours, I can put my kid through gymnastics for most of the year. The point being here is we're going to spend this money. If we could dynamic score this and say, OK, we're going to lose this much revenue. How much are we going to gain by more money going into the economy? And if you notice, right at the bottom there, the last place I'm looking is a tax shelter for the 529 plan. And I'm going to need to work 770 hours for that. So these are things on my wish list. If we can get some type of relief, this would be a good way to do it. And I'm happy to answer any questions you have about why it's good for us.

von GILLERN: Any questions from the committee? Senator Jacobson.

JACOBSON: I, I just have a simple question. You're telling us at the end, pass LB161 and help the hardest working people in Nebraska. Who are those people?

JON NEBEL: Excuse me. Nebraskans that work overtime.

JACOBSON: Everybody.

JON NEBEL: That I-- right. Like these are the people that work. We commit to 40 hours, but not all the time is it--

JACOBSON: Well, I would just submit that farmers and ranchers don't submit to 40 hours a week. OK. In fact, I [INAUDIBLE] remember when in the coldest of the cold here last month, yeah, we had farmer-- ranchers calving, where if they weren't there to get that calf right after it was born, it's probably dead within 15 minutes. And they're out in those elements. So I would just never forget, these are people that are not working for a wage, not getting overtime, not being impacted by this at all. And they're dealing with the lowest prices that they've got, at least-- not, not the cattle industry, but

certainly grain farmers, in quite some time. So I'm glad you're including them on the list, because I would put them near the top of the list, in terms of hardest working in the toughest conditions. So.

von GILLERN: Thank you, Senator Jacobson. Senator Kauth.

KAUTH: I, I just have a question, because this-- first of all, I didn't realize we were doing combined with LB30 and, and LB28, so that threw me for a loop. But-- so when we're talking about overtime, it's only people who are making an, an hourly wage. Is that correct?

JON NEBEL: Correct.

KAUTH: So people who are salaried, who may work 60, 70, 80 hours a week, they're not included in this at all? OK. Thank you.

von GILLERN: Any other questions? Seeing none, thank you.

JON NEBEL: Could I say one thing about LB28?

von GILLERN: No. I think we're done. Thank you. Thank you for your testimony.

JON NEBEL: Yep.

von GILLERN: Is there another opponent?

JACOBSON: Proponent.

von GILLERN: Proponent. I'm sorry. Proponent. I'm-- I lost track of where we were.

ANDREW FOUST: Good afternoon, Chairman von Gillern and members of the Revenue Committee. My name is Andrew Foust, A-n-d-r-e-w F-o-u-s-t. I'm the Nebraska legislative director for SMART Transportation Division, also known as SMART-TD. We cover-- we represent railroad engineers and conductors across the state. Today I'm here to testify in support of LB30, and we would like to thank Senator Storer for introduce-- Senator Storer-- Senator Conrad-- sorry, sorry-- for introducing this critical legislation for the Nebraska's working people, working people. Excuse me. When most railroad workers arrive at their shift, they already anticipate working overtime. This expectation stems from knowing that the railroads has-- have made mandatory overtime in some crafts, and that their shift will last 12 hours. In 2012, a law was passed to limit the hours of service a railroad conductor and engineer could work. However, even though the railroads have been reducing the

number of employees over the years, the workload remains substantial. All railroads are operating with fewer and fewer workers while managing to handle more tasks. If this weren't the case, a railroad headquartered in Nebraska would not be reporting record profits after-- year after year. In 2024, one of my members, a railroad conductor, worked over 520 hours of overtime. This amount of overtime is equivalent to more than 15 months of work at a typical 9 to 5 job. As a result of this extra work, they earned over $27,000. This tax savings from the income will benefit the hardworking individuals and their families, potentially helping them cover rising property taxes and grocery expenses. While railroads in the state currently benefit from tax breaks, it would be worthwhile to consider extending the similar benefits to all workers in Nebraska, including those in the railroad industry. Such an approach could promote fairness and support well-being for the entire workforce. This legislation has support at the federal level, including par-- and including President Trump, and I urge the committee to endorse it at the state level. Thank you for your time, and I'll be happy to answer any questions you might have. All I ask is that they don't involve tax law. And if they do, please ask Senator Sorrentino.

von GILLERN: We, we have that same policy. I did-- I, I wanted to make sure I caught your math right. Did you say that individual worked 500 hours overtime in a year and made an additional $27,000?

ANDREW FOUST: Yeah. So-- I mean, if you're adding it up hour for hour, it would have been probably $51 an hour.

von GILLERN: Yeah. It is overtime--

ANDREW FOUST: It was 520-- yeah. 520 hours of overtime worked--

von GILLERN: OK.

ANDREW FOUST: --just overtime. And it equated to $27,000.

von GILLERN: OK. So that-- if I did the math right, that equates back to an hourly straight, straight wage rate of $36, which I don't think sounds right.

ANDREW FOUST: I could-- that's-- I don't have a calculator in front of me. I couldn't do that. I can--

von GILLERN: Well, if it's $27,000 of overtime divided by-- that's time and a half divided by 500, that's $54 an hour. If I divide that by 1.5, that's 36.

ANDREW FOUST: $36 an hour?

von GILLERN: Is that a straight-- is that a typical--

ANDREW FOUST: I'm going to take your word for it.

von GILLERN: Is that-- no, is that a typical straight wage hour--

ANDREW FOUST: Yeah. I would say yes.

von GILLERN: --for a railroad worker?

ANDREW FOUST: Yes.

von GILLERN: OK. For-- OK. All right.

ANDREW FOUST: I mean it ranges from I mean, I know for collective bargaining reasons, I know from like $35 an hour to probably $45 an hour.

von GILLERN: OK.

ANDREW FOUST: Depends when--

von GILLERN: What's an engineer or-- an engineer make? Or a--

ANDREW FOUST: We're based on 8-hour days, mainly, most of us, are based on 8-hour days, and then that is done by miles. We're not, we're not paid by--

von GILLERN: OK.

ANDREW FOUST: --the hour. So it's per mile. And I, I could get back to you with--

von GILLERN: So, so this legislation wouldn't pertain to, to the-- to an engineer, then. Because they're not--

ANDREW FOUST: No, it would, it would pertain to all railroad workers.

von GILLERN: Are they-- so are engineers getting paid by the hour, or they're-- they gill-- still get overtime?

ANDREW FOUST: I mean, technically, they are, but it's really technical.

von GILLERN: OK.

ANDREW FOUST: Like, I'd have to have--

von GILLERN: I'm sorry. I'm not trying to drag you through the weeds.

ANDREW FOUST: --time to explain it to you.

von GILLERN: I just--

ANDREW FOUST: It's collectively bargained. And, and, and like I said, we're, we're paid by the mile. We're not paid by--

von GILLERN: OK.

ANDREW FOUST: So, like, say a trip to-- from here to Ravenna, Nebraska is 127 miles. We're paid a specific rate at those-- at the mileage--

von GILLERN: OK.

ANDREW FOUST: --not the hour.

von GILLERN: OK. All right. Senator Bostar.

BOSTAR: Thank you. Chair von Gillern. Thank you, sir.

ANDREW FOUST: Yeah.

BOSTAR: Railroad workers are paid similar to other workers, according to the Fair Labor whatever-- the Fair Labor Act--

von GILLERN: The Standards Act.

ANDREW FOUST: Yeah.

BOSTAR: Does that sound correct?

ANDREW FOUST: Yes.

BOSTAR: So even though-- and I know it, it, it is interesting to see how railroad workers are paid because it's different.

ANDREW FOUST: It's very complicated.

BOSTAR: But that, that all ends up getting converted back to hourly rates, although they're dynamic under the federal laws that, that railroads all operate under.

ANDREW FOUST: That's correct.

BOSTAR: Thank you.

von GILLERN: OK. Any other questions? Seeing none, thank you for being here.

ANDREW FOUST: Thank you.

von GILLERN: Any other proponents? Seeing none, any opponents? Seeing none, any neutral testimony? Seeing none, Senator Conrad waives closing. We had, regarding LB28, we had 5 proponent letters, and 2 opponent, and zero neutral. LB30, we had 4 proponent, 2 opponent, and zero neutral. So, that will close our hearings on LB28 and LB30, and end our Revenue hearing for the day. Thank you.