

as part of his return, a statement of each of the beneficiaries, distributive share of net income. This merely ties down people who do not live in the State of Nebraska but their income is derived from certain sources in Nebraska that the Tax Commissioner and the Revenue Department will have some assurance of collecting that tax. Now this next section provides that partners not the partnership are subject to Nebraska income tax. This amendment clarifies the taxability of an unresident also of a nonresident partner and requires the partnership to pay over to the State 10% of each nonresident individual partner's shares. Well, this again is an area of clothing or giving the extra authority for the Revenue Department to collect those taxes, those income taxes which are gained from income in the State by outsiders. This is what LB 531 does, it's not a drastic change for anyone who lives in the State of Nebraska and I move we advance 531 from General File to E & R for Review.

PRESIDENT: Senator Whitney.

SENATOR WHITNEY: Mr. President, just a brief question of Senator Burbach, if he'd yield please.

PRESIDENT: Senator Burbach, will you yield?

SENATOR WHITNEY: The State income tax will still be based upon the federal income in this case?

SENATOR BURBACH: Oh yes, yes. The variation, the only variation there would be Senator Whitney, in the case of a partnership those partners not living in the State, a portion would be paid over to the State at this time and the refund can be made some time later. In that and only in that way is there a deviation from tie-in to the federal.

SENATOR WHITNEY: What this bill does then is to, is a matter of procedure and does not change the amount of the income tax?

SENATOR BURBACH: Not at all, sir, no.

SENATOR WHITNEY: Thank you.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: A question of Senator Burbach.

PRESIDENT: He yields.

SENATOR MURPHY: Are we in a status of reciprocity with all such states so that we're not subjecting an individual to double taxation? In other words, a man living in Wyoming owning a partnership interest in a business here, will he be taxed here and then again in Wyoming for instance?

SENATOR BURBACH: In most all the states surrounding us around us but not every state in the Union this is true, not every state. But in our surrounding states we have a compact with them so there is reciprocity, whether it be Iowa, South Dakota, Missouri, Kansas or Colorado.

SENATOR MURPHY: Thank you.

PRESIDENT: Any further discussion of LB 531? Any further discussion? All right, Senator Burbach, do you want to close on 531? Senator Burbach is closing.

SENATOR BURBACH: I have no further statements on closing. The bill is to assure, makes some slight changes in the collection of the partnership fiduciaries and this is the first change made since 1967, the inception of the act and these are some of the problems that become apparent as time went along and I move to advance it.