

May 3, 1971

PRESIDENT: Move to General File. First bill is LB526.

CLERK: Read title.

LB 526

PRESIDENT: Chair recognizes Senator Kokes.

SENATOR KOKES: Mr. President, Members of the Legislature, I move that we accept the committee amendments. They are pretty long and Senator Waldo has worked on this bill considerably so I would ask that he explain them.

PRESIDENT: Chair recognizes Senator Waldo.

(End of belt #5)

SENATOR WALDO: Mr. President, Members of the Legislature this bill was originally drawn to provide for just a four percent flat rate on corporation. After studying the application of the new rate, it looked like it would be fairer to provide for a 25% rate on all corporations and then add a two percent sur tax for those with an income above 25,000 dollars. Actually that is what the committee amendment does. The first part of the amendment does strike some lines there that are not applicable since 1968. Then we give a 25 percent rate imposed there and then the two percent sur tax, on the larger corporations. That's all that the committee amendments really do. I move the adoption of the amendments.

PRESIDENT: Any further discussion. All those in favor say aye, opposed say no. The committee amendments are adopted.

SENATOR WALDO: Mr. President, Members, I'd like to move that LB526 be advanced to E & R initial. The reason for the introduction of this bill was that I felt and I'm sure many members of this Legislature and most of the people of the state of Nebraska, feel that everyone should be treated as near equal as possible when it comes to sharing the tax burden. In this bill as amended, we are simply trying to require the same income tax payment in Nebraska for individuals in corporations regardless of which way they file on the same amount of income. In other words, it doesn't make any difference whether you're an individual or a corporation. If you've got so many dollars income, you're going to pay the same income tax as far as the state of Nebraska is concerned. Fairness is really what we were after. Early last year I had some friends who were in corporations tell me that they felt the corporations were not paying their fair share. That's the reason I got interested in this and had the original bill drawn. There are many, many studies in our own tax commissioner's office, the University of Nebraska and many other universities and research people, we've got a lot of information -- you all