

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT (CORRECTED)
LB1023

Hearing Date: Thursday January 25, 2024
Committee On: Revenue
Introducer: von Gillern
One Liner: Provide income tax deductions for certain research or experimental expenditures

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Meyer, Murman,
von Gillern

Nay:

Absent:

Present Not Voting:

Testimony:

Proponents:

Senator R. Brad von Gillern
Bryan Slone

Nicole Fox
Dawn Caldwell
Adam Feser
Rob Owen

Opponents:

Neutral:

Representing:

Opening Presenter
Nebraska Chamber of Commerce, Greater Omaha
Chamber of Commerce, Lincoln Chamber of
Commerce
Platte Institute
Renewable Fuels Nebraska
Nebraska Cooperative Council
BioNebraska

Representing:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 1023 amends Neb. Rev. Stats. § 77-2701, 77-2716, and creates a new statute to provide for full expensing on qualified property and qualified improvement property as defined under the Internal Revenue Code, and allows for the deduction of research or experimental expenditures as defined under the Internal Revenue Code to be deducted to the extent not deducted elsewhere, and provides for a full deduction or a deduction spread over five years for such research or experimental expenditures.

Explanation of amendments:

AM 3034 incorporates the provisions of 5 other tax related bills into LB 1023. LB 173 (as amended to change



exemptions), LB 416, LB 1049, LB 1113 (as amended to add the word "Dioxide"), and LB 1400 (as amended to add a cap).

LB 173 seeks to make changes to the income of nonresident individuals. Under LB 173, compensation paid to a nonresident individual

would not include income derived from sources within this state if all of the following conditions apply:

- The compensation is paid for employment duties performed by the individual while present in this state for 30 or fewer days in the taxable year;
- The individual performed employment duties in more than one state during the taxable year; and
- The compensation is not paid for employment duties performed by the individual in the individual's capacity as a professional athlete, professional entertainer, or public figure.

The amendment changes LB 173 to limit such exemption to attendance for a conference, meeting, or training in the state for employees and directors of a corporation no more than seven days and earning no more than five thousand dollars (\$5,000.00) in income.

Motion to Include LB 173 as amended as part of AM 3034

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Murman, Meyer, von Gillern

Voting Nay: None

Testifiers on LB 173:

Proponents:

Susan Lewis, Mutual of Omaha, Greater Omaha Chamber of Commerce, Nebraska Chamber of Commerce, Nebraska Insurance Federation, Lincoln Chamber of Commerce

John Oliver, Inter Public Group of Companies

Nicole Fox, Platte Institute

Bryan Slone, Nebraska Chamber

Neutral:

Joe Bishop-Henchman, National Taxpayers Union Foundation

Andrew Wilford, National Taxpayers Union Foundation

LB 416 amends and clarifies NRS 77-2733 for inclusion/exclusion of income for tax purposes earned by nonresident workers performing services in a remote capacity that are directly related to business and/or trade conducted within the state. LB 416 was amended into AM 2991 which modifies LB 173 to limit such consideration for nonresident workers to seven days of work.

Motion to Include LB 416 as amended as part of AM 3034

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Murman, Meyer, von Gillern

Voting Nay: None

Testifiers on LB 416:

Proponents:

Nicolas E Bjornson, Greater Omaha and Lincoln Chamber of Commerce

Stacy Watson, Lutz and Company

John Cederberg, Self

Bryan Slone, Nebraska Chamber of Commerce and Industry, Nebraska Insurance Federation



LB 1049 reduces the maximum occupation tax on the sale of telecommunications services from 6.25% to 4% beginning October 1, 2024.

Motion to Include LB 1049 as amended as part of AM 3034

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Murman, Meyer, von Gillern

Voting Nay: None

Testifiers on LB 1049:

Proponents:

Scott Mackey, CTIA

Chris Peterson, T-Mobile

Nicole Fox, Platte Institute

Opponents:

Lash Chaffin, League of Nebraska Municipalities

LB 1113 amends Neb. Rev. Stat. § 77-6831 to add business equipment used primarily for the capture and removal of carbon dioxide (added word to be amended in) from personal property tax under the Nebraska ImagiNE Act. The amendment adds the word "Dioxide" on page 12, line 26 after "Carbon"

Motion to Include LB 1113 as amended as part of AM 3034

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Murman, Meyer, von Gillern

Voting Nay: None

Testifiers on LB 1113:

Proponents:

Jesse Stiz, KAAPA Ethanol Holdings, LLC

Dawn Caldwell, Renewable Fuels Nebraska, Ag Leaders Working Group

Don Wesely, Tallgrass Energy

LB 1400 creates the Relocation Incentive Act; and creates an income tax credit for employers and an election for employees regarding employees relocating to Nebraska for employment.

The amendment changes LB 1400 to put a cap at 5 million dollars.

Motion to Include LB 1400 as amended as part of AM 3034

Voting Result: 8-0-0-0

Voting Aye: Senators Albrecht, Bostar, Dungan, Kauth, Linehan, Murman, Meyer, von Gillern

Voting Nay: None

Testifiers on LB 1400:

Proponents:

Jim Pillen, Governor of Nebraska

Emily Olinger, Monolith

Robert M Bell, Nebraska Insurance Federation

Carter Thiele, Lincoln Independent Business Association



Bob Hallstrom, Nebraska Bankers Association

Jason Ball, Lincoln Chamber of Commerce, Omaha Chamber of Commerce, Nebraska Chamber of Commerce,
Nebraska Chamber Executives

Lou Ann Linehan, Chairperson

