

ONE HUNDRED THIRD LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 155

Introduced by Chambers, 11; Schumacher, 22.

WHEREAS, the economy is continually changing, creating the need to continually review and update the state's tax laws; and

WHEREAS, state, county, and other local tax policies are interdependent, and a study should be undertaken of possible consequences when adjustments are made to state tax laws; and

WHEREAS, the purpose of such a study is to review and evaluate the state's tax laws regarding, but not limited to, sales and use taxes, income taxes, property taxes, and other miscellaneous taxes and credits and incentives; and

WHEREAS, community discourse and involvement are essential to the success of a study, and the public shall be provided with opportunities to be engaged in a variety of ways.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. The Tax Modernization Committee is created as a special legislative committee and shall comprise:

- (a) The members of the Revenue Committee;
- (b) The chairperson of the Appropriations Committee;
- (c) The chairperson of the Health and Human Services Committee;
- (d) The chairperson of the Education Committee;
- (e) The chairperson of the Agriculture Committee;

(f) The chairperson of the Legislature's Planning Committee; and

(g) Two other members of the Legislature selected by the Executive Board of the Legislative Council.

2. The chairperson of the Revenue Committee shall serve as the chairperson of the Tax Modernization Committee, which shall meet as often as is deemed necessary in order to accomplish the objectives enumerated in this resolution. At least one meeting shall be held concurrently with a meeting of the Legislative Council convened by the chairperson of the Executive Board.

3. The Tax Modernization Committee shall consider, but not be limited to, the following elements:

(a) Fairness. In order to formulate an equitable system of taxation, the committee shall review and analyze the tax burden created by sales and use taxes, income taxes, property taxes, and other miscellaneous taxes imposed on families, businesses, and sectors of industry within the state;

(b) Competitiveness. Any modification of the tax system should be designed to ensure that such modification in no way impedes or restricts the state's ability to attract well-paying jobs and investment while keeping and protecting existing jobs and businesses. The committee also shall review and analyze how the state compares to other states with reference to taxes imposed on businesses and identify ways to enhance business competitiveness;

(c) Simplicity and compliance. The tax system should be easy to understand and comply with. The committee shall formulate recommendations

designed to ensure ease of compliance for individuals and businesses and efficient administration by the state;

(d) Stability. A stable tax system generates revenue that is relatively dependable and not prone to unpredictable fluctuations. The committee shall ensure that any recommended changes will maintain or improve stability;

(e) Adequacy. The tax modernization process should create a tax system that generates adequate revenue to fund essential state services and obligations. The tax structure should ensure that revenue will meet spending needs; and

(f) Complementary tax systems. Updating of the tax system should address the interrelationships among tax systems within the state revenue system as a whole.

4. The Tax Modernization Committee shall examine previous studies, including but not limited to, the Tax Policy Reform Commission from 2005 to 2007 and the comprehensive tax study conducted by Syracuse University from 1986 to 1988 and ascertain findings and recommendations contained in the studies that can be of assistance to the committee in carrying out its charge under this resolution.

5. The Tax Modernization Committee may require any state agency or political subdivision to provide information relevant to the committee's work, and the state agency or political subdivision shall provide the information requested within thirty days after the request. The committee may hold public hearings and, pursuant to section 50-406 and the rules of the Legislature, may exercise its authority to administer oaths, issue

subpoenas, compel attendance of witnesses and the production of documents, and cause depositions of witnesses to be taken in the manner prescribed by law for taking depositions in civil actions in the district court.

6. The Tax Modernization Committee shall issue a report to the Executive Board and to the Governor not later than December 15, 2013, containing any recommendations to update state, county and local tax policies, and proposed language for any needed legislation. The report to the Legislature shall be submitted electronically. The committee shall identify areas requiring further study and analysis.