

Ninety-Fifth Legislature - First Session - 1997
Introducer's Statement of Intent

LB 401

Revenue Committee

CHAIRPERSON
Jerome Warner

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 401, the Economic Growth Income Tax Reduction proposal, will provide an individual income tax cut of \$50 million annually. The average Nebraskan will receive a 5.5 percent income tax cut, equaling \$65 per average return. LB 401 targets individual taxpayers and returns to them a portion of the increasing budget surplus.

The "LB 1059" School Aid Hold-Harmless provision ensures that schools will not lose income tax revenues due to the cuts proposed in LB 401. The percentage of income tax receipts transferred back to school districts will increase from 20 percent to 21.02 percent, thus holding them harmless.

In conclusion, this individual income tax cut sends unneeded revenues back to Nebraska taxpayers without handling fees.

DATE OF HEARING February 7, 1997

Senator Jerome Warner/ Request of the Governor

Principal Introducer