

## Advocacy Update April 3, 2023

Speaker John Arch made a note of the hours left on the floor last week. According to his calculations, there's just north of 300 hours left on the floor this session. If full debate time is used on each stage of each bill, that'll allow for 22 bills to pass this year.

That's not much time; it is enough to get through taxes, voter ID, school funding, and the budget – which covers the bulk of legislative priorities held by the majority this year.

### Floor Activity:

**A rules change last week:** for the rest of the session, each bill may receive one motion to bracket, recommit, and postpone indefinitely per day. This has limited the procedural tools used to filibuster bills for the remainder of the session.

While no bills have passed fully this session, several are **on their way to final reading after last week:**

**LB77** – Senator Tom Brewer's Constitutional Carry bill

**LB376**—the General Affairs Committee's priority package that addresses Nebraska's liquor laws.

### Advanced to Select File:

**LB276**—Senator Wishart's bill to implement the Certified Community Behavioral Health Clinic model in Nebraska.

**LB683**—the Transportation and Telecommunications Committee's priority package pertaining to broadband (and the creation of a Nebraska Broadband Office to be housed within the NE Dept. of Transportation).

\***LB754**—Introduced by Senator Linehan, and at the request of Governor Pillen, this bill is the Revenue Committee's priority package that lowers the top individual and business income tax bracket rates to 3.99% by TY27. Includes provisions important to Nebraska businesses:

- Provides \$15 million a year for tax credits to parents with kids in childcare, \$10 million for people who donate to childcare programs, and \$10 million for childcare programs and childcare workers (from Senator Bostar's **LB318**).
- Establishes a 15-day threshold before out-of-state remote/hybrid workers must be subject to NE income tax (from Senator Bostar's **LB173**). Decouples Nebraska's businesses from the expiring Federal Tax Cuts and Jobs Act so they can continue to immediately deduct research and experimental expenditures (from Senator von Gillern's **LB492**).
- Allows taxpayers to deduct from their federal adjusted gross income the greater of the standard deduction allowed for or their total federal itemized deductions plus the total

amount of state and local property taxes the taxpayer paid (from Senator Linehan's [LB497](#)).

- And, a new add before the bill was advanced: allows partnerships filing Nebraska's partnership tax returns to make an election to pay NE income tax directly when an amended return is filed, rather than "passing through" the tax liability to its partners (from Senator von Gillern's [LB206](#)).

On Monday, the legislature picked up on the remaining debate time for [LB243](#), Senator Briese's priority bill (also introduced at the request of the Governor) that serves as the vehicle to deliver "dollar for dollar" property tax relief to go alongside the income tax package advanced last week.

If passed, this package will provide \$3 billion in property tax relief over the next six years.

### **Here's the Breakdown:**

The Vehicle: [LB243](#)

As a standalone, LB243 will incrementally increase property tax credits provided to land and homeowners from the current \$315 million to \$560 million by 2029.

The Amendment: [AM977](#)

Here's what's added:

- A 3% spending cap to school districts' annual revenue growth (from Senator Briese's [LB589](#))
- A lift on the existing 5% annual growth cap on property tax credits (from Senator Briese's [LB242](#))
- Removal of Nebraska's community colleges off the property tax rolls (from Senator Murman's LB783). The language amended into this tax package reflects a compromise that Nebraska's community colleges support. In short, the new proposal creates a community college fund and allows community colleges to levy the difference in funding if there's ever a shortfall. Should that need to happen, there will be a 100% property tax credit on those levies.

[2023 Priority Bill Listing](#) by Senator and Committee.

Please let us know how we can be of service.