

## ONE HUNDRED SECOND LEGISLATURE

## FIRST SESSION

**LEGISLATIVE RESOLUTION 223**

Introduced by Cornett, 45.

PURPOSE: The purpose of this resolution is to examine issues pertaining to Nebraska's special capital gains income tax deduction and the extraordinary dividend income tax deduction, examine issues pertaining to codification of the economic substance doctrine, and examine issues pertaining to transactions governed by section 338 of the Internal Revenue Code of 1986, as amended, including, but not limited to, the following issues:

(1) Whether the special capital gains income tax deduction and the extraordinary dividend income tax deduction authorized by sections 77-2715.08 and 77-2715.09 should be changed or eliminated;

(2) Whether the economic substance doctrine – as codified in section 7701(o) of the Internal Revenue Code of 1986, as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152) – should be codified in Nebraska's statutes for purposes of state income taxation; and

(3) Whether the Department of Revenue has encountered problems with transactions governed by section 338 of the Internal Revenue Code of 1986, as amended.

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

1. That the Revenue Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.