

April 3, 1974

PRESIDENT: Senator Kremer.

SENATOR KREMER: Mr. Chairman, I'd like to ask Senator Burbach a question. Senator Burbach, as I understand it, now there would be exempt for the amount for savings that was refunded to the customer but not to that which was withheld by the co-op for future payment, right?

SENATOR BURBACH: This is right, yes.

SENATOR KREMER: All right, now I believe that most of them have a policy at least that at the age of 65, then the entire amount that has been withheld is paid. At that time then we'll be exempt. If they pay out the additional that's been withheld through the years. I would refer especially to one that I know about. They pay out a certain amount each year but refund or withhold other operating monies. And at the age of 65, I believe there is a policy, then they pay the entire amount that's been withheld. Now at that time then, that also would be exempt from taxation, would it not?

SENATOR BURBACH: If it was in cash, it would. If it is continued on in kind or further stock taken, then no.

SENATOR KREMER: But until this time, it will not be....

SENATOR BURBACH: I'm sure I'm right.

SENATOR KREMER: Well, I'm sure that's right. I wanted you to verify it.

SENATOR BURBACH: Yeah, this will be right, Senator Kremer.

SENATOR KREMER: Well, of course I'm not very happy about the amendment because I still feel that Nebraska is taxing co-ops differently than any other state that I know of. There may be others but any that I know are also taxing them different than any corporation. But again, Senator Burbach, I'm thankful for the crumbs that fall from your table. I'm going to accept it. I may vote against it but I'm not happy.

SENATOR BURBACH: Senator Kremer, thank you. Senator Kremer, I realize that you have a definite interest in this legislation. I also realize that we others who have maybe not as much interest or financial interest as you may have, many time we must compromise and I think this is a sound compromise to do a thing and to correct possibly an injustice which our committee, the Revenue Committee, back in 1967-69 were not fully aware of but I think we are fully aware of now.

PRESIDENT: Senator Duis.

SENATOR DUIS: Just wanted to make a few brief remarks. I'll go along with the committee amendment but I did want to state that I'm very much for the bill in its original form but I'll go along with the amendment. I wanted you to know that I have absolutely no....

(End of Belt 4A)