

PRESIDENT: Senator Newell.

SENATOR NEWELL: Mr. President and members of the body. I just passed out a little yellow sheet which basically gives you an idea, if you will look at that yellow sheet of approximately where the money goes and who derives the benefits from the present personal property tax exemption plan. As you will see in Douglas County, 14% of the accounts, the businesses get 80% of the total revenues that go to Douglas County. In Platte County, 7% of the businesses own 85% of the inventory. In the farm sector, if you look at Logan County, 2% of the farmers recover 22% of the benefits. Cherry County, 17% receive 60% of the exemption, 17% of the accounts receive 60% of the benefits under this personal property tax thing. If you'll go on, you'll see that 60% of the businesses throughout the state receive over \$2 million and 10% only receive \$10 million or I mean 60% receive as little as \$2 million and 10% receive as much as \$10 million. So what Senator Burrows' proposal does and what his amendment does is tries to provide relief to those people who are in the greatest need. If this tax is such a heavy burden and if it is so unfair and I think you can argue that any tax is unfair. I have a few taxes that I pay that I think are unfair. Senator Burrows' proposal aims at trying to provide the relief to those people who may, in fact, need that relief. I don't...I'm not too enthusiastic about personal property tax exemptions in the first place but if you are going to provide personal property tax exemptions, those exemptions ought to go to the people with the greatest need, those people on the lower end of the economic scale. Now the obvious thing for everyone here, after you look through these figures, are yes but it's an unfair tax and we ought to exempt everybody. I contend that for those large corporate interests be they farm or business, they can pass that tax on and they do. They have been for a number of years and they continue to do that. If we pass this elimination, this exemption, if we exempt the amounts that Senator Burrows has proposed, we can provide this relief legitimately to those people with the greatest need. We can save the state millions of dollars. We can prevent the shifting from the sales and income tax, we can prevent that shifting that the sales and income tax won't pick up because of the \$70 million lid, we can prevent that shifting to real property. The way the bill is proposed now without the Burrows amendment, we're basically, we're going to shift from the...we're going to shift to sales and income tax monies which are paid by a number of people who never receive any benefits from this personal property tax exemptions. We're going to shift that to these large corporate interests. In the process, what we are going to do is after the \$70 million at the present rate as it increases \$13 million a year or more, if it continues to progress at that rate...

PRESIDENT: One minute, Senator.

SENATOR NEWELL: We will be shifting a number of dollars in terms of personal property tax exemptions to real estate because there is no place else to pick it up after this ceiling has hit. That's exactly what is going to happen. Who is going to suffer the most from that? Those same farmers that are in need now. If we do it this way, we provide that \$70 million under Burrows' proposal will be more than enough to exempt personal property taxes for many years in the future.