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LB 112

PRESIDENT: Ask the question anyway, will you?

SENATOR SCHMIT: Senator Keyes, there was some discussion a year ago relative to the various methods of taxation of motor vehicles and it seems to me that as I recall, the trucks that you are talking about here today are exempted from the sales tax. Is that right? Would you outline which ones are exempt from the sales tax?

SENATOR KEYES: I would say that they are. According to a letter that came from the former Governor, Bob Crosby, and it was a conflict between him and Mr. Preston who represents the trucks over a penny gas tax. Mr. Crosby made the statement that if the trucking industry paid the sales tax like Mr. Crosby must feel they should, it would generate about \$25,000,000. Now the railroads in the State of Nebraska are not subject to sales tax on any purchases they make, their rails, the box cars that they build, the motors that they have, the repairs that they buy, the railroad ties, they are not subject to it and when they are not subject to it, it seemed to be the feeling of this Legislature that the trucks would not be subject to it, subject to that sales tax. The bus companies, the Burlington, the Union Pacific, all the bus companies that drive up and down the highway are not subject to a sales tax. The only ones that I know that pay sales tax on rolling stock are the farmers and the homeowners. Nobody else seems to pay a sales tax on rolling stock in attracting industry of this state. Does that answer your question, Senator Schmit?

SENATOR SCHMIT: Yes, it does, Senator Keyes, and I think I agree with Senator Dworak, that there may be a loophole here you can drive a large truck through and I think Senator Chambers...I just want to caution him, you know you are not going to suck that little Honda of yours up in the exhaust. That will probably go into the air intake.

PRESIDENT: Senator Fowler.

SENATOR FOWLER: Mr. President, I think the discussion has been enlightening. I think that Senator Dworak raised an interesting point and Senator Schmit and Senator Keyes about what exactly what share of our road cost is this industry paying and if we make these concessions to the industry, what do we get back in return for the State of Nebraska? I think Senator Dworak was right, that agriculture is being used kind of as the front person or the