

SENATOR NEWELL: Could you send me a copy. Mr. President, members of the body, this amendment basically undoes what we have done wrong in this whole personal property tax exemptions. It takes exemptions off. But it does it in a reasonable and responsible manner. It takes them off as we put them on, 12½% a year. Now the one difference from the way we put them on and the way we would take them off is simply this. The exemption process will take a little longer because we will go, instead of as we put them on 12½% a year up to 62½% and then undid the whole thing, this will go 12% a year for eight years and then we will have personal property taxes back on the tax rolls as they originally were. Now, Senator Lewis and Senator Schmit were very happy to see that we were not arguing about the personal property tax that we were only arguing about the pay back formula. Well, I'm still arguing about the personal property tax which I think was a very grave mistake when we took it off in the first place. You see what happened in this whole area was that under the personal property tax exemptions there was in 1972 with the passage of 1241 over the objections of the Governor of the State of Nebraska, at that time, Jim Exon, there was what I consider an alliance that was totally inequitable. That alliance was between business concerns and agricultural interests. In fact the whole way in which we exempted personal property taxes are relative to why we have the distributional problems that we have today. Basically it was a tremendous inequity in the way we took personal property taxes off the tax rolls. That inequity was simply this. The business men in the urban area were allowed to be exempted from tax on the equipment, while their rural counterparts were allowed to be exempted both equipment and inventories, excuse me, business inventories not equipment, farm; equipment and inventories. So what simply happened is that what we pay back from the states treasury, the general fund treasury which is sales and income tax dollars, we paid local governments what they lost. Well the farmers were the tremendous beneficiaries. They got both inventory and equipment off. Thereby, because they got the big benefits, they got. . . were the big beneficiaries having two classes exempted, they not only got property tax relief on that property that they paid, or that personal property that they paid taxes on, but they also got, they also got my sales and income tax dollars to pay for that property tax relief. Now the preferable way to have done that, if those exemptions were legitimate in the first place, would have simply been said, if you don't want to tax them, that is fine. That is property tax. We will exempt them, we will exempt anything that you want to exempt. What remains on the property tax rolls will pay for local government. But we didn't do that. We didn't do