

April 8, 1980

LB 795

SPEAKER MARVEL: Do we have to adopt the committee amendments?

CLERK: Yes.

SPEAKER MARVEL: Excuse me just a minute.

SENATOR SCHMIT: Yes.

SPEAKER MARVEL: All those in favor of the adoption of the Revenue Committee amendments to 795 vote aye, opposed vote no. Record the vote.

CLERK: 29 ayes, 2 nays, Mr. President.

SPEAKER MARVEL: Okay, the motion is carried and the committee amendments are adopted. Now, Senator Schmit, do you want to advance the bill?

SENATOR SCHMIT: Yes, I move the bill be advanced.

SPEAKER MARVEL: Any further discussion? All those... Senator Beutler.

SENATOR BEUTLER: I just have a couple of questions I would like to ask you. Are these...? I don't really understand the reason for the exemption. Are these cars in competition with the railroad owned cars? Is that the reason for the exemption? Are we discouraging the purchase of these cars by this small tax or what is the rationale for the exemption?

SENATOR SCHMIT: Well, Senator Beutler, as you know, common carrier equipment is excluded from the sales tax in the State of Nebraska today. There is a shortage of revenue on the part of the railroads and as a result many individuals have found it necessary in order to secure transportation to purchase their own cars. Many elevators have done so. Individuals have done so and lease them to the railroad. There was a...the Department of Revenue originally felt that these cars were not subject to the sales tax and did not, in fact, collect the sales tax. It was never the intention that they be taxed and this language places in the statute the intent of the Legislature that the rolling stock, whether they are owned by an individual or the railroad and used as a common carrier shall not be subject to the sales tax.

SENATOR BEUTLER: Thank you.

SPEAKER MARVEL: Senator Newell, your light is on. Do you wish to speak.