

April 13, 1981

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says in essence that processing equipment...new manufacturing and processing equipment purchased after January 1, 1982. For example, there is one set of classification, and then it goes into whether it is a new construction...going into new construction, that type of thing. There is a classification within a classification. So, consequently, that is why we had to develop new language to say in basically the same thing except say it in a different way, and that is why we came up with the language that you find on page 1342, which is that, "Manufacturing and processing equipment purchased for use directly in new, diversified, or expanded manufacturing or processing operations located in a manufacturing facility and specifically excluding equipment acquired to replace worn out equipment". Now the two main differences between the committee amendment and the new amendment that we are offering in lieu of the committee amendment which is an amendment to the committee amendment, in other words, is we are trying to clarify by adding the word "diversified" and we are also trying to clarify the fact that we are eliminating the fiscal impact both for the state and for the governmental subdivisions such as the four cities that have sales tax, and when we add "specifically excluding equipment acquired to replace worn out equipment", that just spells out a little clearer the elimination of the fiscal impact of the bill. So that if we process this bill in the Landis-Goodrich amendment form, there is virtually no fiscal impact to anyone. We have eliminated the two constitutional questions in the committee amendment, so for that reason we are asking you to adopt the Goodrich-Landis amendment to the committee amendment. I would so move.

SPEAKER MARVEL: Okay, we are finished with the discussion of the Goodrich-Landis. Senator Schmit, then Senator Wesely and then Senator Kahle.

SENATOR SCHMIT: Mr. President and members of the body, a question of Senator Newell, please. Senator Newell, the committee amendments did not provide the exemption for replacement of equipment. Is that right?

SENATOR NEWELL: No, they do not.

SENATOR SCHMIT: In other words, if an industry were to purchase an identical piece of equipment that is in place, it would not get the exemption, whereas a new industry coming to the state would get it?