

April 13, 1981

LB 3

SENATOR NEWELL: Well, Senator Schmit, the committee amendments are much more complicated to that. It is really predicated on the fact that a new industry moving into the state for the first time, or someone adding a new, totally new line of activity for the first time...

SENATOR SCHMIT: Fine.

SENATOR NEWELL: In other words, it is predicated more on the desire to bring in new and expanded industrial activity as opposed to writing off those people who are already here.

SENATOR SCHMIT: Whereas the Goodrich-Landis amendment would provide that exemption for existing industry?

SENATOR NEWELL: Well, their exemption would provide it if you are going to retool. If you just replaced, and this is a fine line the way it's written, because it says specifically replacement is not to be exempted but if it is retooling or something like that and that is really rather unclear, then they say then you get the exemption.

SENATOR SCHMIT: Thank you. Senator Landis, is that basically the manner in which the Goodrich-Landis amendment is drawn?

SENATOR LANDIS: Would you restate the question, Senator Schmit?

SENATOR SCHMIT: As I understand Senator Newell explaining your amendment indicates that an existing industry that purchased an identical piece of equipment as a new industry would not be tax exempt unless it were in effect starting up a new line. Is that right?

SENATOR LANDIS: Okay, since I guess we've got it, then the way the question is structured, let me give you my understanding and see if I answer you and then I will check with you.

SENATOR SCHMIT: All right.

SENATOR LANDIS: An existing company replaces machinery, no exemption. An existing company adding a new line, buys a piece of equipment, a piece of equipment that might well be identical with what a new manufacturer was going to start up does, gets an exemption.

SENATOR SCHMIT: But if the equipment is identical with what