

April 13, 1981

LB 3

SENATOR SCHMIT: Do you mean to tell me, Senator Newell, that rural people pay between 18 and 20 million dollars of sales taxes on just the equipment we purchase alone?

SENATOR NEWELL: That is correct.

SENATOR SCHMIT: Well, I am thunderstruck. I guess everyone else pays as much as I do. Okay, thank you.

SENATOR NEWELL: It's slower this year because of the present economic situation, but in the past that has been it.

SENATOR SCHMIT: Mr. President and members of the Legislature, I think the point is well taken. I supported LB 3 in its original form. I believe I support it with the Goodrich-Landis amendment, but I want to point out at this time some of the arguments we had in the past here relative to where the sales tax comes from. I think Senator Kahle is going to try to make that point a little later on. There are substantial amounts of sales taxes paid by rural people not going to be exempt in this instance. Those exemptions which are going to be granted to industry are going to give that industry, we hope, a better chance as Senator Landis pointed out to come into this community, into this city, into the state, provide jobs, provide resources, new income, new economic incentives. It is kind of interesting to have some of the support we have on this bill. I wish it could be broadened, but I think the question has been answered as to the impact. I would hope that at some point in time that some persons who perhaps have been somewhat negative in their assessment of the value of agricultural income and agricultural expenditures would remember that figure given us by Senator Newell. We are only going to have a fiscal impact of 6 or 8 million dollars when we exempt the industrial equipment annually. Whereas we exempt approximately two and a half or three times that much if we were to take the agricultural equipment into consideration. If you have any idea then as to whether or not the agricultural industry or the industrial industry is the more important to the State of Nebraska, I believe that those figures would tell you the story.

SPEAKER MARVEL: You have 30 seconds.

SENATOR SCHMIT: Again, I support the bill. I support it with the amendment as proposed, and I think that we are going to have a little trouble in the future determining whether or not it is a new line or an existing line, and