

April 13, 1981

LB 3

industry, that we have lost some jobs as a result and it makes sense to me to step up our efforts in this area and this amendment would help, I think, us nationally to be competitive with other states in acquiring this sort of industry and expansion. So I do support the Landis-Goodrich amendments. I would oppose further amendments to the bill and certainly would not support the committee amendments.

SPEAKER MARVEL: Senator Carsten.

SENATOR CARSTEN: Thank you, Mr. President and members of the Legislature, I rise in opposition to the Landis-Goodrich amendment. They very cleverly, very cleverly bypassed the committee's philosophy and amendment, and I want to point it out to you. The committee says that for new industry coming into Nebraska and for start-up we will grant exemption to the sales and income tax, but once that industry is here and in operation and if they have done well enough that they want to expand, then they are on their own just like I am as an individual farmer out on the farm trying to expand my equipment to do a little bigger job. Now that to me, ladies and gentlemen, is a fair analysis, and while we are sympathetic to try and get new industry into Nebraska, we do not believe we need to bend over backwards with the sacrificing of those of us that are here that are basically agriculture. And I assure you, Senator Landis and Senator Goodrich, if you are successful, you will see an attack on our tax structure in the sales and use tax that you have never seen before, and it is the duty of the Revenue Committee to provide for and keep from eroding the tax structure of the State of Nebraska and that's what our committee has done with our committee amendment. One other thing that you have done very cleverly, you have exempted worn out equipment. Well, once you replace a worn out piece, very easily an improved piece of equipment that has come on the market after the original can very well be new equipment. I think we are being hoodwinked here. I think you need to look at this amendment. Read it thoroughly, and I assure you, gentlemen, that if you are successful, I will be the first one in here next year with a bill to exempt new and replacement farm equipment from the sales and use tax and you had better support it. Then we will have an \$18 million impact on the State of Nebraska as has been stated before, and that \$18 million is a combination of industry and agriculture, not agriculture alone. Thank you, Mr. President. I hope you turn down the amendment.

SPEAKER MARVEL: Senator Kahle.