

March 13, 1989

LB 140

the Chizek amendment. Have you all voted? Have you all voted? Record, please.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of Senator Chizek's amendment.

SPEAKER BARRETT: The amendment is adopted.

CLERK: Mr. President, I have an amendment to the bill by Senators Wehrbein and Schmit.

SPEAKER BARRETT: Senator Wehrbein, please.

SENATOR WEHRBEIN: Mr. President and members, this is the amendment that I just passed out. It is on your desk. It is AM0738. It is an amendment to LB 140 that has to do with the fairness. It is, frankly, LB 535 and LB 629, a bill that Senator Schmit and I had, having to do with tax exempt status of municipal bonds. It is a bill that simply states, as you can read the amendment, that those bonds purchased prior to or purchased after...I am off...am I on, okay, purchased after January 1, 1987 would then start the interest on. If you can recall back to when we passed LB 773, this was passed in May with no opportunity whatsoever for municipal bondholders to do anything with their municipal bonds, and they were immediately struck with a state income tax that I consider highly unfair, and this is simply an effort to go back to January 1st, 1987, saying that any bonds purchased prior to that would continue their tax exempt status, any bonds purchased after that would then be taxed as they currently are. As I said, it is an issue of fairness. Many bondholders had no opportunity whatsoever to get out of these bonds, and even if they did, there was very limited or inadequate market for these kinds of bonds across the state. Nebraska has many more bonds than there are...or many more bond buyers than there are bonds, and so when it come time to sell these, they weren't able to get their money into another source. So I brought this as an amendment to LB 140, and I would urge your consideration for it.

SPEAKER BARRETT: Thank you. Discussion on the Wehrbein-Schmit amendment? Senator Hall, followed by Senators Nelson and Moore.

SENATOR HALL: Thank you, Mr. President and members. I rise in opposition to the amendment that Senator Wehrbein offers to the bill. I don't question the germaneness of it because I think it