

March 5, 1990

LB 542, 965

those in favor of the advancement of the bill please say aye. Opposed no. The ayes have it. Carried. The bill is advanced. Proceeding to LB 965, Mr. Clerk.

CLERK: LB 965, Mr. President, the first order of business is an amendment offered by Senator Conway. The amendment, Mr. President, is printed. You will find it in your bill books. I have AM2453 in front of me, Senator.

SPEAKER BARRETT: The Chair recognizes Senator Conway.

SENATOR CONWAY: Thank you, Mr. Speaker, and members. The amendment that I am offering to LB 965, 965 being a bill that I advanced, the bill, itself, was originally on consent calendar. Senator Crosby has named it as a priority bill and, therefore, it is in front of us today. What I am offering is AM2453 which, basically, would require that or establish an exemption on the sales tax associated with the sale of aircraft in the State of Nebraska that would follow a situation where it would be...aircraft would be treated and would follow the tax laws pursuant the same as automobiles. What has given rise to this particular situation is, recent times, is the recent announcement of the potential of aircraft auctions going and being...taking place in Nebraska, and by virtue of those aircraft auctions, it would allow a situation where they could still take place in Nebraska but there would be no revenue loss because simply the planes would be auctioned here and would be delivered outside of the state for anyone who is purchasing from outside the state, and there would be no tax collected anyway. So it follows what is considered the old 10-day flyaway rule which is very similar to what Kansas and other states have which, basically, says because you have got an aircraft registration, just like an automobile licensure requirement, that by virtue of having such an exemption, the sale could take place in Nebraska, but as long as the property was claimed and taken out of the state within 10 days, there would be no Nebraska sales tax on the aircraft. If, in fact, it is sold to a Nebraskan, then naturally they would pay the sales tax and follow through with that. Again, a circumvention of the law short of having that would be simply having the plane delivered to that person's point of residence, rather than allowing them to pick them up here, of which that is what they would do, and it would circumvent the tax. By putting it on a standard such as this and not having it delivered but having the aircraft allowed to be picked up in Nebraska, the revenue actually would