

February 18, 1992 LB 1061

appropriate to go to that at this time.

PRESIDENT MOUL: Thank you, Senator Will. Mr. Clerk, do you have an amendment on the desk?

CLERK: Madam President, Senator Hall would move to amend the bill. The amendment is on page 820 of the Journal.

PRESIDENT MOUL: Senator Will, will you take this.

SENATOR WILL: Thank you. Once again, Senator Hall has empowered me to carry this amendment for him in his absence this morning. And this is an important amendment. This is an amendment that would freeze the tax structure for thoroughbred horse racing at its present level. As you know, when the industry began to encounter difficult times in the mid to late eighties, on more than one occasion, they have come in and said, look, look, State of Nebraska, we need a little tax help, we need to be able to survive as an industry. To do so, we would like you to give us some limited tax help on...you can...and then as we become more profitable, you can phase back in a taxing structure similar to what you had when we were successful. There's a phase-in built into current law that begins...that actually began effective January 1, 1991, we're in the first phase of it right now. The second phase is scheduled to become effective January 1, 1994. Essentially, under current law, the first \$10 million that any track brings in, and parimutuel betting is exempt, any amount between \$10 million and \$80 million is taxed to 2.5 percent, and any amount in excess of \$80 million is taxed at the rate of 4 percent. Effective January 1, 1994, those percentages are scheduled to change from 2 percent to 3 percent, and I think from 4 percent to 5 percent, respectively, for those two tax brackets. The industry, as you know, has continued to suffer in Nebraska. It's not at a point where we're looking at tracks closing down, at least as far as the major thoroughbred tracks go, but it is at a point, a critical point where we probably are looking at what I would term sink or swim, with respect to the race tracks because, number one, in Douglas County's situation they are going to be devoting the proceeds that they...any profit that they make from racing to paying off bonds they're using in the purchase of Ak-Sar-Ben; and, number two, because the racing industry in general has not recovered the way that we hoped it would in Nebraska. I think, to give the industry a degree of certainty, to give the purchasers of the bonds in Omaha a degree of