

February 21, 1992 LB 829, 1120

concepts into one so we don't have double amendments before the body.

PRESIDENT MOUL: Senator Withem.

SENATOR WITHEM: Okay. Thank you, Madam President. Thank you, Senator Kristensen, for allowing me to speak here a moment or two on your amendment, and also thank the body for letting us do this. The amendment that Senator Kristensen has passed out is on your desk, amendment 3028, would like you to pay some attention to it. This is a complicated area and it's key, I think, that we understand this particular area. It deals with depreciation and what we charge state income tax as it relates to depreciation. The history of this concept, if you recall last year we passed LB 829. LB 829 was the one-year replacement. As a means of raising revenue to pay for not taxing personal property in the 1991 calendar year, thank you, Senator Landis, for paying attention, I appreciate having an audience, that's...you appear to be the only one, but that's super. Oh thank you. Thank you. Okay. Very good, very good. LB 829 placed a surcharge on depreciation as a federal...as a state tax source. Rationale of that for a one-time replacement may have been valid, and that was that we wanted to do as little shifting of tax burden as possible for 1991, and those individuals who would not be paying personal property tax in 1991 then would pay this state income...this state surchar...the surcharge on their depreciation and try to keep the tax burden roughly on the same individuals. The motor carrier folks understood what was going on during the end of the session. They quickly came in with the rationale that, do not tax the depreciation, do not tax their depreciation surcharge because they did not receive any property tax relief under LB 829. Their motor vehicles were still on the tax roles on the local level, and it would not be fair to double tax them at the state level with a depreciation surcharge. We did not catch that same factor applied to real estate. I don't know how many of you, over the summer months, heard from local real estate people we're still paying local real estate taxes, but you're taxing our depreciation at the state level. And I don't know how many of you did what I did and what I thought we in the 3-R Committee had...had said very clearly is, gosh, we don't want to do that again. You're right, we certainly do not want to double tax real estate. So, but that was a fairly, commonly understood provision, I think, that we are not going to do the depreciation surcharge and make it applicable to real estate. Along then