

depreciated value that you could have taken but you did not. So you're going to end up taxing that same item a second time when people sell it, because they're going to be paying on a gain that you prohibited, on one hand, from expensing, and then you're going to turn around and tax it a second time when it's sold. And I think that is another aspect of this whole issue that needs to be understood. And again I think the amendment is desirable. The whole concept bothers me a lot of adding back in depreciation primarily because we assume that that 100,000 excludes a lot of people. But we know very well that over time that will later likely be reduced to a smaller figure or no figure at all.

PRESIDENT MOUL: Thank you, Senator Warner. Senator Horgan.

SENATOR HORGAN: Thank you, Madam President and members. I, too, would rise in support of Senator Kristensen's amendment. I think it's important to remember some of the things that have already been said on the floor here this morning. But I think it's maybe important to repeat some of them. One of the things that's important to recognize is that there will be no incentive to buy real estate on a major basis in the State of Nebraska any longer. And that will apply to large construction companies, large landowners, large apartment house owners. And who will end up paying the new tax are the people who are...the 100,000 families who are already renting apartment houses in this state. You just wait and see where their rents go. They will go way up to make up for this wonderful tax that we're going to implement. I think it's also important to realize that last year, when this body decided to pass LB 829, we said, trust us, it's a one-time deal, 2 percent depreciation surcharge, trust us. Well, we won't do it again. So the people trusted us somewhat, and they're coming back now and they're saying we're not going to do a 2 percent depreciation surcharge, trust us, it's going to be 7. Well that's a great message to send, trust us. Last year we only did 2, it was bad policy then. This year we're going to do it again, we'll do it at 7 percent, how's that sound to you? Does that make you feel good about the legislators who have come down to Nebraska...to Lincoln to represent you? So we're going to wipe out the commercial real estate in this industry. We're going to wipe out the large apartment owners in this state. We're going to put a major burden on the apartment dwellers of this state who are least able to afford new taxes probably. We're going to do nothing to stimulate new growth and development in the State of Nebraska, and we're going to go back