

February 21, 1992 LB 829, 1120

on a promise we made last year when we passed LB 829. I think it's...and then not even to mention everything that Senator Kristensen mentioned about getting into the real estate property, real estate tax issue through an income tax issue. Why are we doing that? It makes very little sense, it's poor public policy, and I think we ought to recognize that last year when we did it at 2 percent we caused major problems for the real estate industry and for property owners in this state. We are on the verge, in Nebraska, of becoming a New Hampshire as far as commercial real estate stands, if we pass LB 1120 with this...this 7 percent depreciation surcharge on it. It's ridiculous. It's bad policy, and we ought to do things that are going to encourage people to do major developments, to make them believe that what we say is true, that we're going to do it one time at 2 percent, and you know again, trust us, because we won't do it to you again. And we turn around and we do it at 7 percent, 3 and a 1/2 times the rate that we did it last year when we said it was a pretty bad idea then. I think we need to recognize what we're doing to the State of Nebraska and to economic development in this state if we keep this section of the bill in there. It will be devastating to the real estate industry, it will be devastating to any economic development throughout the state, across the state in all communities. And the \$100,000 exemption is going to let go the guy that has a duplex, but it's going to majorly impact upon people who are trying to do major developments in this state, and those are the types of things that create jobs, that get people working, who, long-term, provide a better life for Nebraska. And I would encourage the body to support the Kristensen amendment.

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

SENATOR SCHMIT: Madam President and members, Senator Horgan, I was not one of those who had supported LB 829 when it was originally passed. I was one of those who supported the extension of it until June 30, 1992 because of the difficulties we now face, which I was reassured would never come to pass, that the Legislature could, of course, act expeditiously early in the '92 session and avoid all of those other problems which we are now trying to avoid piecemeal. I would share some of your concern, I suppose, about the terrible things that are going to happen to those major developers, because you said we were now going to go back on our word relative to the tax on depreciation. I just want to suggest is it any worse to go back on your word to a few developers, or is it worse to go back on