

February 24, 1992 LB 1120

individuals that own personal property. It's not just farmers that own personal property. Businesses do own personal property. Centrally assessed companies do own personal property that is depreciated. The 3-R plan taxes those folks...

PRESIDENT MOUL: One minute.

SENATOR WITHEM: ...based upon their depreciation...how much they have depreciated the product from the original purchase price. So I think it is the fairer plan. It does treat all personal property the same. It does treat motor vehicles under a different scheme but at least motor vehicles, if they're going to be taxed, they will have...the personal property tax burden will be shared with others. It is the better scheme for seeing to it that a constitutional amendment does pass. And most importantly, it forestalls what would otherwise be an inevitable shift of the property tax burden over to real estate owners. That's the message that hasn't been said long enough or loud enough throughout this process. Last year, people were wondering, well, how do you urban guys think you're protecting residential taxpayers when most of the personal property is in other taxing districts? The reason is is because there will be an...

PRESIDENT MOUL: Time.

SENATOR WITHEM: ...inevitable shift over the years onto real property if we ever repeal personal property tax.

PRESIDENT MOUL: Thank you, Senator Withem. Senator Hefner.

SENATOR HEFNER: Madam President and members of the Legislature, I rise to support the Rod Johnson amendment, and this would increase sales tax 1 percent. What's hard for me to understand is when we debated LB 1059 we thought that sales and income tax was the way to go. Now when we have the personal property tax before us, we don't think that sales and income tax is any good. It doesn't make too much difference to me how I go. I would just like to use sales tax or perhaps a sales and income tax combination, if we think that's more fair. But the 19th District borders South Dakota and in South Dakota they do not have an individual or a corporate income tax. They just have a sales tax and property tax and I think they're getting along pretty good with that. But, here in Nebraska, we do have a combination and so I have no problem with going with that.