

February 24, 1992 LB 1063, 1120

seems to me that we ought to stick with what the Revenue Committee has put out and then work with that. The proposal that I came up with and that I'm going to pass around would do this. It would put the language of LB 1063 into LB 1120 but that on the other side of the ledger we would exempt all farm equipment and business equipment from sales tax and that would cost about \$45 million which we would make up with a service tax. Now, in actuality, when we talk about service taxes and the list of service taxes that Senator Hall has come up with, there's about as much similarity between a tax on laundry services and a legal service tax as there is between a tax on laundry and other kinds of items that we pay sales tax on now. For example, we charge a sales tax on diaper services and I just don't see the difference between a tax on laundry services and a tax on diaper services. It's just...I think we're mincing words here. I would also...I would, in this plan in order to raise the \$45 million that we would need to...to make up the cost of the exemption and sales tax on farm and business equipment, I would take the \$52 million package that Senator Hall has proposed in 1120 and exempt out of that the tax on farm equipment repairs, which is 4.5 million, the tax on farm labor management, which is 1.4 million, and the tax on breeding services, which is 500,000, and that gets you to about 48 or 49 million dollars which would then be the money that we would have to pay off the...or to pay for the sales tax exemptions. The Syracuse Study made a very big point about not taxing the sales of farm equipment and business equipment. Now we spent whatever it was, three or four hundred thousand dollars to do the Syracuse Study. It's a document which I read every once in a while. It's a good document and I think it made an excellent argument for exempting farm and business equipment sales. These are items of equipment that generate income and why we should tax the sales of those types of items to the producer of income, to me, doesn't make any sense and nor did it make any sense to the Syracuse Study. And if we want to be competitive in these areas, I think we just simply need to exempt those out consistent with the proposals in the Syracuse Study. What my proposal is intended to do is to do two things. One is to...

SPEAKER BAACK: One minute.

SENATOR ASHFORD: ...maintain the tax in LB 1063, and I think Senator Withem has made an excellent argument when he talks about maintaining the personal property tax base in 1120 or in 1063. I don't see a problem with doing that. That's a good