

taxable equipment is not taxed. LB 1063 does nothing to increase this compliance rate. And this report goes on and on and on taking out what is wrong with 1063. It was furnished this body by none other than Senator Timothy J. Hall, dated January 31, 1992. It goes on to say, it is unlikely that the federal courts in this circuit would ignore the precedent and uphold 1063 exemption schedule where at least 55 to 60 percent of the property is exempt. The federal courts will not uphold 1063 where 55 to 60 percent of the property is exempt. So, according to the Chair of the Revenue Committee...

SENATOR CONWAY: One minute.

SENATOR HABERMAN: ...these are pretty harsh figures. This is a pretty strong statement, which means that you can exempt part of personal property and not exempt it all. LB 1120 exempts it all, 1063 doesn't. You know, it's awful easy for the winners to stand up and say, let's compromise. And it's easy for those who are going to gain to compromise as long as they are not hurt in the compromise. So I would suggest to you one more time, let's stick with what we have on the floor. Let's amend it and let's change it, let's argue, let's do whatever we have to do, we do not need two bills on the floor. I ask you not to raise 1063. Thank you, Mr. President.

SENATOR CONWAY: Thank you, Senator Haberman. Senator Coordsen, please.

SENATOR COORDSEN: Thank you, Mr. Speaker, members of the body, this dialogue has went on for quite some period of time this morning and it's been interesting, good points made on each side. But sitting in the back row, like we do, you have a little time on your hands and I suppose the issue before us is the burden of crafting a fair tax system. Recall several years ago when Senator Withem and a number of other members of the body, including myself, were involved in the 1059 issue, which more than anything else was an attempt to find a fairer system than property taxes alone to support our K-12 elementary system in the State of Nebraska. Is 1063 fair? Based upon the dialogue at that time, it was felt that a fair system was one that was based, to a large extent, upon the ability to pay. Last week the Department of Revenue circulated to all of our offices really a kind of an interesting little booklet, the 1990 Annual Report, which contains a whole lot of statistical information in tax year '89, information that is kind of useful