

February 27, 1992 LB 1063, 1120

a dependable source of revenue for our subdivisions, and Senator Withem and others and the Governor worked hard at getting this thing worked out. I guess the other point I would like to make about this proposal is, obviously, the proposals that are included in this...could I get a gavel, Mr. President.

SPEAKER BAACK: (Gavel.) Colleagues, please keep your conversations down.

SENATOR ASHFORD: That the proposals made here have all been made before obviously, and there is no pride in authorship at all in any of these. These are only proposals that have been out there before on the floor, and what I have tried to do is to consolidate all of the proposals into one, so that we could deal with them now, see whether or not there is a compromise out there, and make that decision and move a bill onto Select File, so that we have a bill, and I think properly it should be LB 1120, which is the bill that came out of the Revenue Committee that we can deal with on Select File, and stop going through this back and forth on LB 1120 and LB 1063, albeit obvious that there are some significant positive aspects of LB 1063 and how we deal with this tax problem. I appreciate also Senator Schellpeper, who I am working with again on this amendment, and he will have an amendment to this amendment which deals with...which I believe takes out business equipment and only exempts sales tax on farm machinery. But be that as it may, two things that are important, one is with this proposal are we going to exempt out sales tax on farm machinery or business machinery. I am convinced that there is an economic reason for doing that. First of all, many of our states that surround us do not tax, certainly do not tax farm equipment and farm machinery. There is an economic rationale inasmuch as farm machinery is purchased and there is no determination made by the farmer, the person in agriculture, as to how the price of their goods will reflect those costs. So I think...economists have argued, I think, successfully that an exemption on sales tax for farm machinery is a valid one and a legitimate one to talk about. I know Senator Conway has a proposal on investment tax credit across the board. I think that is a viable alternative, but in any event, the other...second element to this proposal is that there is a sales tax on service component, and as I said before, I think that is a valid alternative. Senator Hall has made an excellent case for expanding the tax base, and, quite frankly, the only reason I can see for not doing it is because there is a vast lobby out there that doesn't want to say that