

drafted, it does permit if you have the papers showing that it is recorded at the courthouse as depreciable personal property that you could take a credit on income tax rather than refund if you opt to do that so there is a couple of ways that the individual could utilize the refund if they chose to do so. The other thing that should be pointed out, and depending on the taxing district that you are located in, that the amount of the refund at 80 percent will not fully reimburse if you are at an average levy of \$2.02 in an agricultural area of the total amount of personal property tax you would have been paying over the seven-year period, if that was the life cycle of the piece of equipment, but it comes fairly close when you add in the use of the money or the interest that you avoid paying on, if you're buying it on time because you would have the availability of that refund to reduce the amount of the loan. So in any event, I would not argue that it's a fully even trade from the individual farmer's viewpoint, but it goes a long ways toward balancing the total tax that was due on that piece of equipment by having a refund on the sales tax and instead be paying the personal property taxes, depreciable personal property which would, of course, be at a declining tax rate each year until such time that it was depreciated out and then there would be no personal property tax at all. The purpose of the amendment, I'd urge its adoption.

PRESIDENT MOUL: Thank you, Senator Warner. I'll now recognize senators wishing to speak to this portion of the amendment. The speaking order now is Senator Conway, Kristensen, Hall, Baack, Warner, Schmit, Coordsen, Withem and Lamb. Senator Conway.

SENATOR CONWAY: Thank you, Madam Speaker, and members, I rise in support of this portion of the amendment as I rise in support of the amendment when it was in its entirety. I think this particular portion is the area with which most of us are looking to, what we would consider the compromise. When this all started way back when 3-R first came out, I sat down and looked and analyzed to the best of my ability to try to decide what is the best approach to address the local property tax crisis as we knew it. And in that analysis, you can spend some time looking at the constraints that we have with respect to the Constitution. You can look at the constraints we have with respect to the economic and solid tax policy concerns and then you can look at the aspect associated with the political reality in terms of what is proper and possible within a very diverse state such as Nebraska with people earning incomes in a