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LB 1120
LR 219

inventory and taxing all other personal property in some manner was enough to violate the 4-R Act. I was, Senator Warner correctly stated that, and it's written out in the MAPCO decision, the line is on page 15 down at the bottom. It says that in other words federal law controls over state law including state constitutional law. So our arguments for making these changes in the Constitution are predicated on the fact that we want to try to keep folks on the tax rolls knowing full well, based on case law that the railroads are going to get out of it, but we're going to try to sell that at the polls as one of the issues that folks should support this constitutional amendment because it puts everybody back on and that's not the case. The railroads won't go back on, they won't pay this tax, they will be protected by the federal 4-R Act and the hope is is that other provisions in this constitutional amendment will protect further erosion of that base. I believe that that is not going to work either, that this constitutional amendment will not protect against the issue of further erosion of that base. I think that fully the best thing that we can do is to exempt personal property and make up for that revenue some place else. The argument is, is that you are going to pass that on to individuals. Ladies and gentlemen, every tax that business pays is passed on to individuals. If you don't believe that, go into business and figure it out. That's how it works. I mean, short of income tax, which there is a delay in terms of passing that on at least for a year, that they are passed on whether it be sales tax, property tax, net book value. Any idiot knows that. I mean, you go into business, yeah, you can tax me here as a business owner and I'm going to figure it into my price structure and as long as you tax everybody on the same basis, I'm on a square footing. The only time you hear arguments about taxing businesses is when it's not uniform.

PRESIDENT MOUL: One minute.

SENATOR HALL: And they can't work it into their price structure and they can't compete. That's why we hear stuff about the border bleeding in some of these cases. It's because that's the problem. They can't pass it on to the individual nearly as well as they'd like to be able to. So to go out and say that it's going to be a shift to individuals and, frankly the proposal in LB 1120, \$89 million of it was an income tax on the corporate or the business level, the vast bulk of it. Only \$7 million came out of individuals, 7 million. It was a straight up approach. I'd argue that all, whatever this raises, and maybe it's