

March 6, 1992

LB 1063  
LR 219

I think there's the huge danger of the ultimate damage being done to those people who have the Jack and Jill store in Minden, who has got the grocery inventory. They can't survive that and what are you going to do? You're going to ratify the liar's tax by doing that. If you allow it all to come back on, then all those things that we've talked about being the evils of the personal property tax system become reality. There are very good reasons and I think reasons you cannot ignore because you must change the Constitution and you've got to uncouple real and personal property. And for the reasons I stated last night again, the real property is substantive, it is something that doesn't move, it isn't subject to depreciation. It may be subject to some waste but it's defined and easily identified and it isn't going to move. Personal property is vastly different. It does depreciate, it does wear out, it's easily hidden, it's easily moved. You've got to treat those two things differently and the court acknowledges that in several cases, for example, household goods because they are hard to find, they are hard to tax and it isn't worth the effort to go after them. If we do not change the Constitution of the State of Nebraska, remember what we did with ag land valuations? We tried to make an exception to the uniformity clause. We tried to make an exception and say we can have a separate class, didn't work. Why? Because we still had the uniform and proportionate clause. We've had MAPCO, we've had Enron II, we've had Northern Natural. All of those cases have told you so plainly that tangible property is real and personal and if you don't change that, you're going to face what I believe to be the ultimate worst and I don't think the ultimate worst for the agriculture is to allow LB 1063 or the change in this Constitution. The ultimate worst is for those inventories to come on. My brother, my father, your neighbors...

PRESIDENT MAUL: One minute.

SENATOR KRISTENSEN: ...they have to keep the grain in their bin. The federal government encourages that, almost makes it mandatory that they store grain. And so now I'm going to put an inventory tax on the grain they are holding and I'm going to do that to the Fashion Shoppe in Minden because of the clothes they have to have. They're not the big retailer. They can't ship their property easily in one or two days and get their inventory in. They wait months and months and months to get their inventory because they are small. They can't change their inventory. They can't play the games that the bigger people