

**SPEAKER BAACK:** Senator Moore, just before we start that I would like to introduce some guests of the Legislature. They are guests of Senator Ashford and there are 29 fourth graders from the Brownell-Talbot Elementary in Omaha and their teachers. Would you folks please stand and be welcomed by the Legislature. Thank you for being with us. Senator Moore.

**SENATOR MOORE:** Mr. Speaker and members, this amendment that was filed last week was filed in a reaction to the so-called compromise amendment that was adopted to 1063 last week. Remember in that discussion, in that scheme of things there was a requirement that one of the reasons that this body did not want to give an out and out sales tax exemption on farm machinery is, is that they wanted to make the farmers apply to the state for the sales tax refund. That way there would be a record or a trail as to what farm machinery is being purchased and when those farmers apply to the state for that refund, there would then be a record of what was purchased. The state department could in turn give that to a local government as a better enforcement and tracking mechanism as to what personal property was out there. When we had that discussion it dawned on me that, you know, if that's good in this case in farm machinery and that we want to have a method of making, keeping the farmers honest, it only made sense to me that presently LB 775, sales tax credits are applied for and given and it only made sense to me that we ought to treat the 775 sales tax exemptions and refunds just like this new sales tax exemption of our farm machinery. The amendment was filed basically just for that purpose, as I said, I mean, if you want to enforce the method and you want to give the county assessor a greater ability to track what business equipment is out there, if it was good for farm machinery, it ought to be good for business equipment in LB 775. Since that time, this morning I've had some discussions with the Department of Revenue. There are some reporting requirements presently under way for 775 business equipment that is available to local governments. My understanding is the Department of Revenue is drafting an amendment that would make the sales tax exemptions, sales tax refunds for farm machinery mirror exactly what the 775 reporting mechanisms are. And so, with that, the Department of Revenue is drafting that amendment for me. I guess I don't know for sure whether or not they meant they liked that or not, I don't know, but, in the meantime, exactly treat them exactly the same, I would like pass over this amendment at this time and, hopefully, by the time we get back to it we'll have a new version from the