

PRESIDENT MOUL: Thank you, Senator Elmer. Senator Schmit.

SENATOR SCHMIT: Thank you, Madam Chairman. I want to just comment again very briefly and I would then allow someone else to take over, but I think it's important that Senator Wickersham's attempt to amend this bill is not going to succeed. The reason it's not going to succeed is because, as Pat O'Donnell would say, there are more votes against it than there are for it, and the facts that there are more votes against it than there are for it are because there are more of the urban legislators than there are rurals, and the rurals would perhaps exact a small bit of benefit from this bill...this amendment. The point I have made earlier and which I will repeat again, and again, and again, is that those who would expect their legislator to be able to guarantee them that LB 1063, as it is passed, hopefully not, but in the event that it does pass by this Legislature, is going to be the last word in the taxation of personal property are missing something. That will never be left alone. It will never be left alone. It's an amazing situation. It becomes almost immoral if someone dares to suggest on this floor that intangibles be returned to the tax rolls. That is a no-no. It's absolutely verboten. It cannot be discussed. It can't even be brought up. If you introduce that kind of a bill in the Revenue Committee, that has been there, it gets nowhere. It couldn't get enough votes on this floor to make a respectable showing on a bet if you had a month to drum up the votes. No one ever talks about who is the principal beneficiary of those...that kind of tax policy. Oh, we are told it keeps money in Nebraska. Nuts! I had to introduce a bill 15 years ago that virtually required Nebraska banks to return deposits to this state so that they would be available for lending purposes. The argument in favor of the taxation of intangibles is this; a million dollars is a million dollars. It earns interest. Yes, it pays a little bit of it, it pays income tax, but is a million dollars worth of wealth, a million dollars which is available for any purpose the owner of the CD or the cash wishes to use it for. It has a net value. You don't deposit, not very many people that I know of, would borrow money to put in a CD. It is there because you have surplus funds, totally contrary to the situation that exists with a business person or a farmer who must borrow large amounts of money to invest in equipment which then, of course, needs to be used in the process of earning an income. But we're going to tax that. We're going to treat it totally different than we