

for years and think about how much that is, not only in the rural areas, but even in the urban areas. Granted, there are types of equipment that are bought regularly and depreciated, for example, computers and some other things. But you don't see those computer tables, you don't see those desks, you don't see those chairs. They're not turned over on a year to year basis. They're not even turned over many times on a decade to decade basis and yet we're going to narrow the base because that's exactly what you do in 1063. You narrow the base to approximately 35 to 45 percent of personal property called net book value or depreciated property and the argument is, is that it's going to raise as much as the old system which supposedly had 100 percent of all business equipment on, that under this system, because it expands to ag machinery, you're going to see a huge increase in valuation out there, compliance reporting and dollars that are brought in, a shift there from the urban areas to the rural areas. And what that means for the folks in my district is that if the shift is away from the base in Omaha, in other words, those businesses who have been declaring personal property on those 20-year-old desks and 20-year-old chairs and 10-year-old typewriters and 10-year-old computers that are...you know, they just update the software. They keep the same hard piece of equipment there, hard drive there. Those folks are no longer going to pay. They're no longer going to pay and only the net book value is going to be subject to tax. That tells me that when you're pushing that base out of the urban areas...

SPEAKER BAACK PRESIDING

SPEAKER BAACK: One minute.

SENATOR HALL: ...to the rural areas, it can only mean one thing and that means that residential property taxes go up. Real estate taxes go up for the homeowners and, frankly, that, to me, is probably the most intolerable thing that we could do here on the floor and I think you're going to see and there have been stories. There will be more stories, I guess, about what the impact may or may not be in terms of individual homeowners. But clearly that, more than anything else, will be the death knell of any issue that goes to the ballot that the voters have to rely on. I think a proposal like this, whether you agree with the constitutional amendment or not, a proposal like this that deals with a homestead exemption that has very...\$10 million, frankly, is all that any individual might pay, the total tax on individuals in this proposal. The balance of it is all business