

March 9, 1992

LB 1063

products. The volatility of the fertilizer market does not lend itself very well to a sales tax, a percentage sales tax. About 2 percent or thereabouts, 3 percent sales tax would have accomplished the same thing on the prices that exist on March 9, 1992, in the local area, but in another time in another year it could represent double that, a third less than that. This figure was arrived at simply for the simplicity of doing it and a stable base of collections. The Department of Agriculture, State Department of Agriculture provided me with the figures that in 1990 we used...

SPEAKER BAACK: One minute.

SENATOR COORDSEN: .1 billion, 889 million tons of fertilizer, which was just simply a mathematic exercise. Senator Elmer is speaking, I believe, in opposition to this. He asked me for a minute of my time, Mr. Speaker.

SPEAKER BAACK: Senator Elmer.

SENATOR ELMER: Thank you, Mr. Speaker. We've heard the implement dealers talk about border bleed, talk about competition from outside the state on the sales tax. Ladies and gentlemen, being and speaking from a great deal of experience in this field, 4 dollars a ton on nitrogen fertilizers, especially anhydrous ammonia, will cause the closure of about every retail fertilizer dealer within 30 miles of a state line and that's a fact. If LB 1063 is an anti-economic development bill, which it is now, this absolutely assures that it will drive multitudes of businesses out of this state.

SPEAKER BAACK: Time.

SENATOR ELMER: Thank you.

SPEAKER BAACK: Senator Lamb.

SENATOR LAMB: Thank you, Mr. Speaker and members. I rise to support the amendment, however, the comments of Senator Schmit are right on point. I realize we're taking a risk with the amendment that, as he knows and I know, that when you start a tax like this you don't know where it's going to end up. My problem is that the current version of the bill has...already has such a tax in it which is a sales tax on energy, sales tax on energy at 1.25 percent. My sense is that that 1.25 percent