

PRESIDENT MOUL: Senator Warner is not in the Chamber.

SENATOR SCHMIT: Okay, Senator Hall, would you be able to answer that question? Where did the schedule come from LB 829?

SENATOR HALL: Well, Madam President and members, Senator Schmit, there wasn't a schedule in LB 829. It was 2 percent depreciation add-back based on the federal schedule.

SENATOR SCHMIT: So we used the federal at that time, didn't we?

SENATOR HALL: That is right.

SENATOR SCHMIT: All right, thank you, Senator Hall. It is kind of interesting, we used the federal in LB 829, then we got around to asking the Attorney General about the federal for 1063 and he advised us against using it, so we came up with our own. Now I do not know much about the law, but it would seem to me that this schedule could be just as suspect as the federal schedule, and certainly, in my opinion, leaves much to be desired from the standpoint of trying to bring about the kind of uniformity that I think is important within the classes. The reason that I have offered this amendment, and for those who think otherwise, you should visit with some of my constituents and some of your constituents who are in the dairy business. The dairy business is a very capital intensive business. A good dairy cow costs several thousand dollars and it takes a substantial amount of investment to operate a dairy operation. In addition to that, it is very labor intensive, and it is almost impossible to hire help from around this part of the country to work in a dairy. Dairy help is very expensive because of the seven day a week, two or three times a day milking schedule plus all the other attendant work that goes with the operation of a dairy. Very few dairies are operated for fun. They are a very, very substantial business investment. Many dairymen raise their own replacements, but they still buy a lot of replacements. To buy the replacement heifers for a dairy herd places another substantial cost upon the dairymen. I am sure that you've all followed the market price of dairy products in the last year, and you know, of course, that for many months the dairymen were producing their products for below the cost of production. At the same time, they were taking some criticism because of their participation in the federal program. If you've traveled around the world you will know that there is