

ourselves that two weeks ago there were two distinct policy choices in front of us all; one embodied by LB 1120 was to recognize that the personal property tax was an archaic revenue base. The system is simply not in step with modern economic realities and has proven increasingly unworkable and unstable. LB 1063 was the other one and it represents another contention that a good tax policy is one which taps a part of the wealth of society. Since personal property is used to generate wealth, income-producing personal property should remain in the tax base under this premise. That very argument exposes the basic flaw which has always existed in a philosophy of taxing income-producing personal property. While the popular view may be that taxing business equipment is tax on wealth, it is also effectively a tax on investment. LB 1063, it can be argued, in fact, concentrates the property tax on new investment, whether that investment is intended to increase farm or business productivity. Senator Morrissey made a very good point a couple of days ago. It is not just the property or just the owners of personal property that benefit from the wealth generated by income-producing personal property. He indicated that capital investments provide the jobs and incomes to the "Joe Lunch Buckets" of Nebraska, which, in turn, makes it possible for them to be homeowners and to support their families. Everyone from the CEO to the janitor has an interest that business taxes be reasonable and affordable. Now I, and I am sure many others, entered this session fully expecting to be pallbearers for the funeral of the personal property tax. Instead, this body has managed to pick apart LB 1120, LB 1022, bit by bit, like vultures on a desert carcass. I didn't hear any argument during the whole discussion on LB 1022 that doing away with personal property was a patently bad idea. Rather, what I heard was, well, that is an appealing concept but the devil is in the details. Members, after all these hours, it should be clearly evident that there are plenty of gremlins lurking in LB 1063 as well. The weakness, and perhaps the fatal flaw in LB 1063 will forever be in accurately, fairly, constitutionally, and above all, assessing and taxing of personal property on a simple and understandable manner. I also tend to agree with those who argue that the briefs to exempt the railroads and others out of 1063 are probably already written. LB 1063 probably won't deliver the tax relief to homeowners that has been promised and may not bring us any closer to stability than LB 1120 would have. On top of that, as Senator Hall has pointed out, the LB 1063 taxing scheme relies on a permanent...