

March 11, 1992

LB 1063
LR 219

Reading tomorrow. With that I would hope that you would vote to suspend the rules and then vote on the advancement of LR 219.

SENATOR CONWAY: Thank you, Senator Baack. Senator Morrissey.

SENATOR MORRISSEY: Thank you. I guess if someone could, and maybe I'm off base here. If someone tell me I'm off base, somebody tell me I'm not making any sense, if someone can discuss how this bill works with 4-R, and if I'm off base just tell me, that's all I want to know. If somebody can answer that and discuss what the court said about our Constitution not making any difference if we violate 4-R and if we're violating 4-R, why are we going through this exercise? If you'll tell me that, somebody answer that on the floor or on the record right now or else tell me that it is not a concern, I'll support the motion. Thank you.

SENATOR CONWAY: Thank you, Senator Morrissey. Senator Schmit, you're next, please. Senator Withem, you're next, please.

SENATOR WITHEM: Yes, that was an offer Senator Morrissey made that I couldn't quite refuse, I don't think. Now if I get this right, if we give you an answer then you'll support...does it make a difference if the answer is right or wrong?

SENATOR MORRISSEY: Yes.

SENATOR WITHEM: Okay, well you didn't say that so I'm not sure. As I understand the argument on 4-R, 4-R says that a state cannot tax rail property differently than it can other property. The simplistic, and this is very simplistic, explanation of LB 1063 is that it treats all property without regard to who owns it based on its depreciable value. It is a question, somebody said the railroads probably have the briefs already written to challenge it and they may well, and they may well file suit, they may well win. But the rationale of 1063 is that because rail property is being treated exactly the same as all other property and that is that we look at its purchase price, we subtract its depreciated value and then that is the manner in which we value it for tax purposes without regard to who owns it, that it's...it is...I'm very comfortable that it is a new 4-R question that has not been answered any place else. If it is challenged, we may win and we may not win and that's as honest as I can be with it. Thank you.