

April 1, 1992

LB 829, 1063A, 1063

I did see where sales tax collections were below projections, and with the limitation on the revenue side from property tax, I assume all those factors together would have an impact. There would be one direct impact that would be the case from the lid that we previously had under 829 that is different. Under 829, you will recall that local government were...they were allowed to...to use the revenue from new valuation, new construction, I should say, that might have occurred on real property, as well as new personal equipment under the old at value property tax system for personal property and business equipment, and 1063 does not, as it was passed, provide the exception on the lid for new personal property that is business equipment. And, for the obvious reason, I suppose it would be more difficult to have separated out increased value by virtue of a different system of valuing the property. It is the depreciable system, and whether or not it was simply new equipment that had not previously been owned by that business. But there is that part of the lid that would directly reduce local governments tax base on new personal equipment, because they would not be allowed to tax that...

SENATOR LAMB: Thirty seconds.

SENATOR WARNER: ...(inaudible).

SENATOR MOORE: Senator Warner, I just...all those things, they're not allowed as much increase. And I guess far be it...far be it from me to stand here and defend LB 1063. But I think in some ways it was inferred by some of the newspaper articles that the state had taken money away from local government. That's really not the case, at least yet, under 1063, and I think that was a little inaccurate the way that was reported. Believe it or not, even I thought 1063 got a bad rap the way that happened.

SENATOR LAMB: Chair recognizes Senator Warner. Senator Warner waives off. Senator Schmit.

SENATOR SCHMIT: I have a question of Senator Warner that I really am not in a position to articulate as well as I would like. But I notice that there is an amendment coming before this body that deals with the relative assessments of railroads as to other property. And my question would be, first of all, whose responsibility shall it be to determine the percentage of assessment of nonrailroad property versus railroad property? And, second, will the local subdivisions have the ability and