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LB 1135, 1223

Legislative Journal.)

SPEAKER BAACK: To the Chair of the Revenue Committee, Senator Hall.

SENATOR HALL: Thank you, Mr. Speaker, members. The bill, LB 1135, is a vehicle fee bill. It replaces personal property tax on motor vehicles with a fee schedule. The committee amendments only do three things. They would take and add to the recreational vehicle fee schedule that currently in 1135 was done on a flat single fee basis and spread that out over a series of fee schedules based on weight, so that rather than have a single schedule for the largest recreational vehicle that would be applied as well to the smallest vehicle, what we did through the committee amendments is take the recreational vehicle schedule and break that down, step it up, if you will, based on weight. The other thing that it did is that it clarified the definition of a truck and provided a separate schedule for semitrailers. I do have a technical amendment that later on would put in place the definition of trailers and semitrailers out of the motor vehicle sections of the statute, but that will come later. Those are the two technical changes that were made in the committee amendments, and then, thirdly, there was a substantive change to the bill, and that would be the addition of LB 1223, a bill that was introduced by Senator Lynch, and it changes the way, it is a noncontroversial bill, but the proposal as we amended LB 1223 as offered as an amendment to this bill through the committee amendments, it makes the rental cars that currently are taxed on their Blue Book value times the property tax rate for purposes of property tax based on where the automobile happens to be registered. What happens is, is that a number of automobiles aren't registered in the state. They are brought in. You have noticed them. You see them. They are registered in places like Georgia, other states that don't have a personal property tax on their vehicles, and they are done on a fleet basis so that the rental agencies are able to circumvent the personal property tax. What we do here is change the way that rental cars are taxed by moving to a 4 1/2 percent gross rental receipts to be paid in the county where the transaction is made and to also be paid into the county on a monthly basis, so that, hopefully, this will be a way that we can circumvent the tax that we are not collecting at present. I am still leery of the fact that possibly the rental car agencies can circumvent this unless we do it on a transaction by transaction basis, that I would hold