

we've had in the past year because we would carry adequate reserves which would get through the high and low economic times. But my opinion, when we get to the railroad amendment, and that's really what we're discussing, we will be collecting the 4.25 million or thereabouts, best estimates. I do not believe, if that amendment is adopted and implemented by the tax commissioner, which is authorized, that there would be no lawsuit. The taxes would be paid. But if we fail to do anything, then the potential is there. The potential is the governmental subdivisions would have around 5.50 million, under LB 1063, or if the state would lose the court case, zero. And when we get to the other amendment I think we're assured, as best one can be assured, at least there will not be the 4.25 million. We will not be putting local governments in the position of setting levies before a lawsuit is filed, having shortfall in the receipts. We will not be looking at refund. And I think that is an issue that should be discussed on that amendment, not here, but neither can I let remarks just go by the way which are not accurate and not to immediately comment on them. I would urge that the amendment that is proposed would be rejected for reasons I initially stated and that is that CA1, if adopted, does not permit this kind of classification of taxation, requires that all depreciable property have one method of depreciable depreciation utilized with the exception where federal supremacy laws affects our ability to do that. And that also is provided for in the constitutional amendment and, as structured, will not, I believe, will not carry over to other sectors of the economy where there is no federal supremacy legislation affecting how Nebraska can structure their own tax system.

**SPEAKER BAACK:** Thank you, Senator Warner. Seeing no other lights on, Senator Schmit, would you like to close?

**SENATOR SCHMIT:** Thank you, Mr. President. It's always interesting how we use various types of numbers in arguments. I am not unaccustomed to being lectured by my good friend, Senator Warner, because he has excellent historical knowledge of the tax structure in the State of Nebraska, both on the revenue side and the appropriations side. One of the comments in this article says that in 1988 railroads were paying \$10 million taxes. And under the present proposal if and when Mr. Balka is successful, they will pay 4.25, which I don't believe will happen. In any case, no one talks about the fact that the amount of personal property owned by the railroads has undoubtedly increased