

April 6, 1992

LB 719A

SENATOR WARNER: The unit...the system that is utilized is the system that the Department of Revenue has used I believe the last two years and my understanding it was not anticipated to change that system, at least in the foreseeable future or the next couple of years.

SENATOR WICKERSHAM: And at least the change in the calculation of the unitary tax that you had proposed in this amendment is not mandated to the tax commissioner and, in fact, you would anticipate at such time as we might want to go back to some other method of calculating that tax, we'd be able to do so. Is that correct?

SENATOR WAPNER: That would be...it's an authorization to continue that way. As a practical matter I assume that because it was authorized at the unit portion would probably be calculated as they have been doing it for the last two years but I would agree that it does not preclude a change in that, at some point in the future and perhaps it would be best done by statute, but nevertheless, it does not preclude it.

SENATOR WICKERSHAM: All right. Are there more favorable ways to calculate the unitary tax than is provided in your amendment?

SENATOR WARNER: More favorable way?

SENATOR WICKERSHAM: To the State of Nebraska. Would we have higher values?

SENATOR WARNER: Yes, I would agree that that's possible, Senator Wickersham. Whether or not those changes would also withstand a court test, I do not know because valuation is another factor in the 4-R lawsuits that becomes a factor in any future lawsuits.

SENATOR WICKERSHAM: All right.

SENATOR WARNER: I do not look on the concept with concern, however, since that is how the state has done it for two years and has indicated to me that in all likelihood we would at least continue that for some time, some point into the future.

SENATOR WICKERSHAM: I appreciate that, Senator Warner, and really the only reason I ask those questions is I want to make it clear to the body that this amendment does several things and