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LB 719A, 1063

my concern is that should that happen, which I think it's a likely thing to occur, then we're going to put local governments in this shortfall position by the amount of personal property tax that otherwise would have been paid by the carlines and the railroads. And I just simply don't believe at this point that that is a choice that we ought to make because of the need for some stability which I believe the amendment as written does provide and is in compliance and there may be some other option at some point that we could litigate, the state could litigate the issue without jeopardizing the revenue for local government which I think is what we're doing if we put your amendment in.

SPEAKER BAACK: Senator Kristensen, you're next.

SENATOR KRISTENSEN: Thank you, Mr. Speaker, members of the Legislature, Senator Wickersham, if I could ask you a few questions and attempt to try to maybe make it clear what we're really discussing here this morning. Your concern is that how do we value railroad property and how do you determine what amount of the railroad holding is real property and what amount of it is personal property and we use that to try to determine how much personal property they have so they can be taxed and that's called the unit method of taxation. Is that correct?

SENATOR WICKERSHAM: That's one of my concerns about this amendment, yeah.

SENATOR KRISTENSEN: Okay. And in attempt to do that, we're going to say that when you compare the amount of personal property that the railroad has compared to the amount of personal property that's out in the State of Nebraska in general, you come up with a percentage and that you also have a percentage and what you do is take inventory out of that calculation. I'm trying to put this in as simple of terms as I can so if you get a confused look on your face it's because I'm not using the legal terms, I'm trying to put into terms that people can understand. You want to take inventory out of this calculation so it doesn't look as if it is so discriminatory, LB 1063. Is that a fair statement?

SENATOR WICKERSHAM: Well, I think quite frankly that Senator Withem did us a service when he handed out a little thing that he captioned up, steps to compute taxable value of railroad personal property and it looks like this.