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LB 719A, 1063

being held that they are legitimate and those are all those discussions we talked about in 1063...

SPEAKER BAACK: Time.

SENATOR KRISTENSEN: ...for nontaxing inventory. Thank you.

SPEAKER BAACK: Thank you, Senator Kristensen. Senator Rogers, you're next.

SENATOR ROGERS: I yield to Senator Wickersham.

SPEAKER BAACK: Senator Wickersham.

SENATOR WICKERSHAM: Thank you. Senator Rogers had asked for an explanation of what the amendment did and I think maybe the discussion between Senator Kristensen and I helped a little bit. But again, I would refer people to the handout that Senator Withem presented us with last week and it's got, it's captioned up steps to compute taxable value of railroad personal property. The one that is of real concern is Item 1. At the top you have the numerator, all personal property taxed, net book value. That's 1063. Down at the denominator you would have all commercial and industrial personal property, actual value. Okay. You can just take out a pencil and you can work with the numbers. If all commercial and industrial property, the bottom number, is 100 because you've included inventories and the top number is 50 because you have only net book value, you're at 50 percent. If you change the formula as I'm suggesting in my amendment, then all commercial and industrial property actual value, the bottom part, would not include inventories and would be very close to the top number, I think. It would be much, much closer. That's it in a nutshell. Now, there is nothing in the main amendment that says inventory has to be included in commercial and industrial personal property. There isn't a definition that does that, but my guess is that it is, although that question might have to be litigated also. I simply don't want to give away the issue. Why should we give it away? Why should we give away that issue as to whether inventory is commercial and industrial personal property, give away whether it results in discriminatory taxation of the railroads if we do not include it in our tax base and give that particular industry another forum to beat us? They've already beat us a couple of times in the federal district courts. Why should we give them a state court forum to try the same thing? I am unwilling to do