

farm machinery sales tax issue and then have it changed so that the dollars will not be raised so that...that the General Fund money would be covered, it's something I can't support. As a matter of fact, if this amendment is adopted, I would probably follow with an amendment that would remove that provision where farm machinery would receive a favorable sales tax benefit. So I would urge you, rather than have to go through all of that process, I would suggest that we just vote down the Schmit amendment. If there are ways of restructuring the fertilizer tax so that it raises as much money in future years as we had projected when we used it as an offset to the farm machinery tax, I'd be willing to accept that, but this amendment doesn't do that so I cannot support it.

SENATOR MORRISSEY: Thank you, Senator Withem. Senator Schrock is the next speaker.

SENATOR SCHROCK: Mr. Chairman, members of the Legislature, I would like to just reaffirm what Senator Withem has just said. Do I think the 4 dollar per ton tax is fair? No, I don't think it's fair. Do I like a fertilizer tax? No, I don't like the fertilizer tax, but we need to finance state government and I felt like we had to do something and this was a better solution than an energy tax and a partial rebate on sales tax on machinery. Do I think we should do something about it, the sales tax on fertilizer? Yes. Do I think now is the proper time? No. I think we should take our time. I think we should study it this summer or this fall, have some interim studies, come in with a bill, have a proper hearing and then address the problem. If it is going to be the intention of this body to raise 7-1/2 million dollars from a fertilizer tax, I think we should do it right the next time around and not do it piecemeal like we said we're going to do here. The 4 dollar per ton tax is not punitive. It's not going to put anybody out of business. We can live with it for a year or a year and a half. And I don't think we want to do something now where we don't know where we're headed and we haven't had public input on it, so I think now is the wrong time to address this issue.

SENATOR MORRISSEY: Thank you, Senator Schrock. Before we go to our next speaker, I'd like to announce that Senator Withem has some guests in the north balcony, 69 fourth graders from Golden Hill Elementary in Omaha with their teachers. Would you folks please rise and be welcomed to the Legislature. Thank you for coming. Senator Caback is our next speaker.