

to go up to pay the inventory tax. That means that if a Nebraska product and an Iowa product of exactly the same characteristics are in the flow of commerce and we have in our state roughly a 3 percent, \$3.00 on every hundred valuation of property taxes, that there will be a 3 percent difference in the price of the Nebraska good to the Iowa good or the Nebraska manufacturer will have to eat that 3 percent, 3 percent that he would be able to make anyplace else if he was doing business and he can't make it in Nebraska. That pricing differential means one of two things. Either the good itself becomes less attractive in the marketplace and the manufacturer is injured or the manufacturer wants to expand their margin and go elsewhere where they can make that 3 percent as part of their own return on investment. Either way we shoot ourselves in the foot to have an inventory tax. I know people want a very broad tax base but this one is one that will place Nebraska made products and Nebraska businesses at an economic disadvantage in what is a growing national marketplace. Having said that, the question is, do you go down that fork in the road right now in this session? And my guess is it's a mistake to do that and I will tell you why. Because for every one of those, a response to that theory, there is several others out there that say, no, no, no, put it all back on the tax rolls and drop the real estate taxes. Or they say, wait a second, do a percentage basis. There are many, many alternatives and what will happen is that we will all fractionate. We will rush to picking the winners and the losers in this fight and try to stick the winners and the losers in the Constitution. Now, some winners and losers are already there and the committee amendment basically keeps us with what is constitutional and that's still there. But those which are statutory, which include inventory, which include livestock,...

SPEAKER BAACK: One minute.

SENATOR LANDIS: ...farm machinery and the like, all those will be up for grabs again. If we choose for the rest of our session to try to pick the winners and the losers, we will fractionate into the kind of thing which those people who want a 30-vote standard for exemptions will realize that measures can't get, because you might be able to get 25 but it will be tougher to get 30 and you sure won't get 40. You sure won't get 40. So, as much as I happen to agree with the underlying analysis of the Beutler-Ashford amendment, to pursue that line of reasoning and at this fork in the road we're going to get down to something