

assessment of their value in his depreciation schedule, if we allow the continuance of business equipment to be valued based upon the depreciation schedule, and I do think that the depreciated value that has been and is currently used is a fair method, but at the same time if the argument is made that farm equipment is income-producing equipment in the same manner that a punch press, supermarket's freezer, or any of those types of business equipment, then the method of determining the value for assessment must be the same thing. Senator Warner raised a little interesting point to me when he was talking about removing the sales tax from farm machinery based upon good tax policy, and this probably is good tax policy, but I would ask you this question. The Legislature has, for the last 25 years, embarked upon a method that I believe was good tax policy in that they tried to follow the ability to pay with our method of determining taxes. They tried to follow the money with our tax policy, sometimes successfully, sometimes not. But if we would ask the body of the Legislature to not tax farm equipment via the sales tax, would not it be logical to not place a sales tax on any purchase by anyone that will subsequently be valued under a property tax system, and by that I mean, should there be a sales tax on home construction, should there be a sales tax on the materials used on the repair of a home, anything that goes into property of any kind that will, that is, or at some point in time upon completion will be levied a property tax upon it. Now I understand the negative problems that that creates for the state revenue, but the State of Nebraska has been very active over the last 20 years, concurrent with some of the other things they do, in removing from the local subdivisions of government the responsibility of paying for many of the actions that they do take. So I think there are more issues involved around sane and rational tax policy than what can really be resolved with the passage or nonpassage of LB 6 at this point in time. It is important, I believe, that we establish what the basic tax policy is...

PRESIDENT MOUL: One minute.

SENATOR COORDSEN: ...that is different, perhaps, in the view of the Legislature from what the court has interpreted it by the interpretation of the current language of the Constitution by enacting a constitutional amendment. Then if that passes or fails, creates an entirely new situation for us. And LB 6, although a valid argument can be made for its passage based upon urgency, perhaps is not an appropriate move for the Legislature