

July 17, 1991

LB 6  
LR 1

SENATOR CONWAY: Thank you, Madam President. As I explained the amendment again is to avoid the double taxation. It only applies to the year 1991. It also only applies if LB 6 were to be advanced and adopted and is brought into place, which is only in the case that LR 1 is put in front of the people and then fails. So it's....But it is one of those provisos that ought to be there should all of those circumstances come into line. The thing I think is fairly important, as Senator Nelson mentioned she was concerned about exemptions. First of all, it's not a question of exemption of a property. The tax will be paid for the entire year, it's simply pro-rated across the two owners, as one has already prepaid, in essence, whereas all of these others fall into another category. It isn't like any other piece of equipment. And we can look at a good example is another piece of farm equipment. If you were to go out and buy a new baler, for instance, since you do not license it, you buy the baler, you pay the sales tax, but when it gets to the property taxes it goes on the next year's schedule at the first time you report, which is January of the next year. And then it's on the schedule and you pay tax accordingly. And, if the dealer paid tax at the beginning of the year, the new owner would, no matter when he buys it, will not be on the schedule, will not pay until the next year. Whereas an automobile, since you license it and you pay the property taxes up front, even though someone may have paid the complete set of license...complete set on schedule, based on inventory status as a car dealer at the beginning of the year and you sell it any time throughout that year, then it gets picked up and prepaid again on the front side. So it is a unique piece of property in that sense. It wouldn't be unique if we had other licensed properties where we pay up front, but we don't. And so a farmer, for instance, the difference between his pickup, which this would apply to, and a baler would be quite different. On one he would, in essence, he or somebody else, or a combination of the price impact, would pay double on that property. So it's not an exemption, per se, it's actually just a pro-ration of a complete tax year paid on a piece of property, but pro-rated against the owners on a month to month basis. I think Senator Coordsen had his light on, and if he would like a minute to ask me a question to deal with that, since he was precluded from that by virtue of the calling the question.

PRESIDENT MOUL: Senator Coordsen.