

July 19, 1991

LB 6  
LR 1

livestock as to deal with our intangibles, and the question of intangibles. I firmly believe that the intangibles on the tax rolls ultimately in the long haul are going to do a similar injustice to our overall economy. They are going to put themselves in a situation, as people move around and try to avoid the tax, try to convert them from intangibles into something else that is tax exempt, we are going to dry up a lot of the capital that many of us need for our economy across the state to borrow from the banks, as regular deposits that are there. Those CDs, many of those things, are going to be converted once they are being taxed into something else, tax-sheltered assets, physical assets that are tax shelterable and, therefore, we are going to dry up our capital. So Basic Economics 101 will tell you that all three of those, two that Senator Wickersham alludes to, livestock and inventories, should not be taxed, as well as my feeling is as the intangibles as well. But I can't agree to putting them in the Constitution. I think the Constitution has to frame the basic questions, basically, as we have done in LR 1, and they need to be established such as that. I strongly support LR 1 as it is written in its structural frame, and then throwing these questions back to the Legislature, and I guess I am betting on the fact that the Legislature will, in its infinite wisdom, as we address all of the concerns of all of the people out there, recognize what is in the best interest of the economies of the state. I was thinking earlier today, with respect to LR 1, and the support or not the support for LR 1, as it is written, as to why is it so difficult to deal with, why is there so much dissension. As I spent some time yesterday with some corporate people on the telephone and had a couple later phone calls, each of them had a different perspective on the way that things ought to happen as this thing unfolds. And if you will look and you'll see those people who would like to see us go home and do nothing, those people who would like to see 829 be the basis for taxation, at least in '91 and maybe other years as well, many of them are coming from the fact that if we look at 829, inventories aren't on it, and inventories to them is a very difficult. So, therefore, they don't want to see 829 come or...or excuse me, they don't want to see LB 6 come on board because of inventories. You have got other types of businesses who have a great deal of appreciable property, little inventory, maybe they are high energy users, they don't want to see the depreciation surcharge or the energy technique as the way that we generate the income. As we look at the diversity between the businesses, and we'd be talking about large businesses, they