

the basis that you started from. I believe that the sales tax for purposes of refund is probably the fairest, and it's the cleanest way in which to follow through, to follow up, to create that trail that will be necessary to allow for the basis to be established. Then, because of that refund, because of the desire, just the necessity, now because of law and the good business sense of going after the refund that you're due and owed, you will complete those forms necessary, and the basis on which to establish personal property tax is created. I think that that's the way the deal was struck, if you will, in 1063, and that's the way I think it ought to be kept. To now go to a full blown exemption and, I think, create holes that will have to be filled down the road in terms of the problems that will be created in establishing that basis for personal property will then further erode the local tax base that those who were supporters of 1063 argued on behalf of. And it's not to mention the whole issue of a reduction in the state revenue base that this exemption created, in order to allow for the expansion of the personal property tax base under the MAPCO decision that 1063 created, those that supported argued that it created. In order to do that we had to reduce the state base, that state base being the sales tax on farm equipment that is going to be refunded.

PRESIDENT MOUL: One minute.

SENATOR HALL: That is where, I believe, the price became far too high in order to justify the exemption in the first place. Now to go in and go one step farther and say, not only will we not ask you to pay it and we'll refund it in order to establish that base from which to levy personal property tax, we're going to give you a full blown exemption. This amendment was offered under 1063, if I remember correctly, when we originally debated it, and it was defeated. I believe that it should be defeated today. And it was not addressed by the Revenue Committee in terms of the technical amendments that we offered to LB 3, because it was substantive, and I appreciate Senator Moore bringing it here to the full body. But again I oppose it, not only on principle, but I oppose the original passage of the measure because it was a reduction in the state base in order to supposedly create a broader base at the local level.

PRESIDENT MOUL: Time.

SENATOR HALL. This is exactly the wrong way that we should be