

understanding under the intent of LB 1063. And so when I heard Senator Warner talk about that I said, well, I don't get to make that decision anymore, because I mean I was always under the impression if I got a \$10,000 tractor, to save paying personal property tax I just never would depreciate it, I wouldn't have to pay personal property taxes. That's not the way it works. If it's under the definition of depreciable, I pay personal property taxes on it for the life cycle contained in the bill, regardless of whether or not I expense it or I depreciate it. Either way, if I don't do either one of them I still technically owe the taxes there. I need Senator Warner to clarify that. You were talking about smaller items, whether there was a question whether or not the deprec...I mean do you want some of my time to clarify that statement, Senator Warner? Or...I mean am I incorrect in describing your comments that way?

SENATOR WARNER: Yes, you are incorrect.

SENATOR MOORE: You can have the balance of my time to describe it again then.

SENATOR WARNER: Well, Senator, if I understood what you said, and perhaps what I heard is not what you meant, whatever that cliché is. But I was talking about small items and...that are pretty low cost, that most people, I suspect, you know, you could define...one of the definitions you have on a piece of small equipment, whether you...however you argue it, it could be depreciable. A hammer is depreciable. Obviously you wouldn't...let's use a pair of pliers is depreciable. I might lose them tomorrow, very likely I do, everybody buys five pair of pliers a year or more. Technically that would be depreciable, but it is expensed. And there are items that you will expense. And what I'm talking about is a piece of equipment, usually minor in cost, I don't object to depreciating it. The odds are you're going to have a much more cumbersome administrative problem of checking whether or not the item that you paid \$25 for at a sale that turned out to be worthless, even though it was an air compressor, technically would be depreciable, I don't quarrel with that. As a practical matter, we both know it would be expensed, and probably rightly so because it had no life. You know one of the keys on this is a life expectancy, that's the other criteria. And something that has no life, pretty difficult to depreciate. What we're going to lead to, Senator Hall, if we go...