

November 9, 1992 LB 1

it blows a \$5.1 million hole in LB 1. And I would again urge your opposition to it as we continue the debate. Thank you, Madam President.

PRESIDENT MOUL: Thank you, Senator Hall. I would like to call the senators' attention to the area under the south balcony. Special guest today of Senator Labeledz is Senator-Elect Don Preister of Omaha. Welcome to the Legislature. Thank you. Senator Coordsen.

SENATOR COORDSEN: Thank you, Madam Chairman. Just so we don't get totally confused on this amendment, this amendment, since it applies to the 1993 tax assessment year, does not affect the depreciation surcharge which is based upon depreciation taken for 1992. So, under the language of LB 1, owners of breeding livestock that's being depreciated would still be liable for the...for the tax under this 2 percent surcharge. Now it's very interesting to me that we mentioned \$5 million or so because it seems to me, from what indications I've had, that if there's a tax break in LB 1 that is at a \$5.2 million break that is being given to the centrally assessed property owners for whatever reason, and I'm not privy to any of those, now I don't disagree with that. I think they were unfairly treated when they were given the 4 percent and they should have been at the 2 percent. But, nonetheless, it is still a reduction in revenue going to the centrally assessed properties. I don't know what more I can say to reemphasize the maldistribution of support of state government to a certain extent but most specifically to the support of local governmental services that is embodied in our current set of statutes relative to taxation. LB 1 certainly will not relieve that situation at all. I'm not going to repeat what I said about the 2 percent, the effect of the 2 percent surcharge when you compare the 1992 to the 1991 tax returns. If you're interested, you understand. If you're not interested, I'm not going to be able to give you that lesson on the floor of the Legislature in the time we have available. Should we depreciate breeding livestock it will do two things. It will eliminate the distortion that currently exists in one of our very, very major industries and that is the beef industry. I think it's not an accident that Nebraska has slipped in the national rankings as to the size of its breeding livestock herd. In the constitutional convention back in the twenties, there was...there were a number of eloquent arguments made for the exemption of intangible property. Most understandable of that, and I think the one that probably carried the day and laid the