

inequity. LB 5 does not contain specific language providing for any refunds of the fees or taxes declared unconstitutional. It is assumed that any taxpayer may request a refund from the particular state agency which originally assessed the charge. And here is the following fees and taxes enacted in LB 829 were declared unconstitutional, and that the first one was a 2 percent depreciation surcharge on tangible property used in a trade or a business. But when we put that 2 percent depreciation surcharge, we encouraged farmers and small businesses to not, to not upgrade their equipment or do any kind of construction on real estate or remodeling of improvements on real estate. We also, in 829, decreased the fee allowance for retailers collecting sales and use tax, and we also put a sales tax on energy used for manufacturing. And we also added a surcharge on corporation income tax, and the last one was a filing fee of \$150 on corporations registered in the state, but I just feel that a lot of those were excessive. They was detrimental to our economy in the state and so this is why I am introducing LB 5. Just like I said this morning on that corporate occupation fee increase, the smaller corporations had 1154 percent increase where the large corporations had only about a 1 percent increase. So we are picking on the little person again, the little business again. Now that our national election is over and there is much talk about our economy, I believe that we need to do away with the 2 percent depreciation surcharge. So this is a modest increase, a half a percent increase in sales tax, 16/100th of a percent in income tax, and the constituents that I represent up home feel that this would be the best way to go. So I move the advancement of LB 5.

PRESIDENT MOUL PRESIDING

PRESIDENT MOUL: Thank you, Senator Hefner. Senator Hall.

SENATOR HALL: Thank you, Madam President, members. I rise to oppose LB 5 and its advancement. There is a real argument and I think a valid argument that the issues addressed in LB 5, the substance, is outside the call. The problem with that is that the only way to find that out is to enact it into law and then wait for somebody to sue you, based on that premise, and I think that that clearly would be the case here. If the economy is bad, I don't understand where having everybody take a bite out of the pie is going to make sales and income a better route in which to go. The issue here is one of replacing revenue that had been lost because of court decisions, but also just