

November 10, 1992 LB 1

bill books, in LB 1, on page 30, and it flows over into the top of page 31. It is...it shows on page 30 as subsection (g). And what this deals with is the apportionment of the depreciation surcharge. If you remember when we passed a depreciation surcharge the first time, it was in 1991, it was on a property only formula. That's what this amendment would do, it would return the bill to the property only formula. The bill, as LB 1 came in from the Department of Revenue, went to a sales only. What this does is that for multistate corporations, large corporations, it uses property only as we did when we passed this similar type legislation in 1991. The fact of the matter is that under the new system, since we have changed to a sales only on our income tax system for multistate corporations, the reason, I think, that the Revenue Department brought it in, because it wasn't very clear at the hearing when we asked about this, was that it was for ease of operation, nothing more than that. In my opinion what this does is it tends to hit the little guy harder with the sales only than if you were to use the property only, which for a multistate corporation that would be headquartered here, they would only be charged based on the sales within the borders of the state, and property would not be a factor. This is the way that it was structured in the 1991 legislation. I think that this is the way it ought to be structured as we currently have it in front of us. I split it out from the other technical amendment. I would argue that this is technical, there may be those who don't. I would urge its adoption.

PRESIDENT MOUL: Thank you, Senator Hall. Does anyone wish to speak to this portion of the amendment? Seeing none, do you have any closing, Senator Hall? Closing is waived. We'll now vote on the second portion of the Hall amendment. All those in favor please vote aye, opposed nay. Have you all voted? Please record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Madam President, on adoption of that portion of Senator Hall's amendment.

PRESIDENT MOUL: The Hall amendment is adopted. Further amendments.

CLERK: Madam President, Senator Schmit would move to amend. (Schmit amendment appears on page 42 of the Legislative Journal.)