

November 10, 1992 LB 1

PRESIDENT MOUL: Senator Schmit.

SENATOR SCHMIT: Madam President and members, I have an amendment, be very brief, that addresses the tax on energy. As I mentioned several days ago, this tax does, I believe, infringe very heavily upon at least a number of entities who are not just within my district but within other districts. It has an undue burden...it places an undue...an unfair burden, I believe, upon the alfalfa dehy plants and specifically upon Minnesota Corn Processors. Minnesota Corn Processors, as you know, was not in existence in 1991. It has no offsetting tax against the tax that will be assessed by LB 1. It was my understanding that there was some rule of thumb that the \$100,000 equated to \$200 per employee for a certain business in the state. I do not know if that was true or not, but it seemed to me that if rule of thumb were to be applicable in an, perhaps, undefinable way, that we might just as well define it. And if we were to do that, it would, very frankly, save Minnesota Corn Processors approximately \$80,000 on their tax bill for this year. I have contacted them and informed them of what I'm going to do. They have not informed me what they want to do and I do not expect them to. It is my belief that it is a responsible legislative action for us to adopt this amendment, and I do believe that it would also assist other plants, other companies that were not in existence in 1991 which will be taxed because of their existence in 1992 and '93. I would ask for the adoption of the amendment, and that's all I have to say. I have no closing.

PRESIDENT MOUL: Thank you, Senator Schmit. Does anyone wish to address this amendment? Senator Hall.

SENATOR HALL: Senator Schmit, would you respond to a question?

SENATOR SCHMIT: I'll try, Senator.

SENATOR HALL: Senator Schmit, is this the amendment that would change the...it would be the lesser of two...

SENATOR SCHMIT: Yes, that is right.

SENATOR HALL: ...the \$100,000 cap or the \$200 per employee.

SENATOR SCHMIT: Right.

SENATOR HALL: So, if I had say, let's pull something out of the