

November 11, 1992 LB 1

complies or does not comply. And, true, I wish we had some better hints from some of those decisions. Maybe the hints were there and many of us missed them. But, nevertheless, that part is accurate. But I'm not critical at all because they haven't laid out specifically what we should do. One other comment on the general taxation. We have a tendency to single out ag. What we really ought to be talking about, because agriculture is...fits this description, any business that requires a high capital investment per person gainfully employed, which agriculture fits that definition, but so do other areas, any business that requires a high capital investment per person gainfully employed, and that capital investment is subject to property tax, has a disadvantage under that tax system compared to a business that requires a very low capital investment per person gainfully employed, assuming the same level of income. And that's the issue with property tax, it's not necessarily agriculture, it's the basic issue of those two things. I don't know how...We argue how ag was treated fairly or not, I do know that sales tax exemption, at least my name was brought up a little bit about buying equipment. We bought a tractor last year, and a loader, around \$50,000, \$2,400 of sales tax that came back. And I sat down when the personal property tax come and looked at how far that refund paid the depreciable tax...tax on depreciation for that piece of equipment. And it runs...it looked to me like it would be roughly six years. I don't know what the levy is going to be over the next six years. But it was about a break even compared to what was the case before. And that, too, helps that young farmer that he doesn't have to have up front another additional 5 percent cost on that piece of equipment when it's acquired. True, over time it will balance out. Initially, there is perhaps some problem, certainly there's some problem in the transition from one to the other. But it's not as bad as it seems. Again, I want to repeat the argument that centrally assessed got a break.

SPEAKER BAACK: One minute.

SENATOR WARNER: It's not true. It was zero by action of the U.S. Federal District Court, zero. You go from zero to two. And I, you know, the problem is complex enough, but it's so essential that the public has a fairly good idea of the accuracy of what some of these things are, and that's one that certainly should not be portrayed to be something that it's not. And again, I hope that...discussion is always good, but I would hope that LB 1 will have sufficient votes tomorrow to be put into