

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of the committee amendments.

SPEAKER WITHEM: The committee amendments are adopted. Senator Schellpeper, to open on your bill.

SENATOR SCHELLPEPER: Thank you, Mr. Speaker, and members, LB 430 was brought to me by Nucor Steel. They're in Stanton County. They have a Norfolk address but they're in...right in the corner of Stanton County. They're the largest employer in my district. They employ 856 people. It's a very important industry in northeast Nebraska. It was started in 1972. What we are attempting to do with LB 430 pertains to the Revenue Act of 1967. In that act, it said that ingredient and all component parts were to be exempted. Well, over the years the courts in Nebraska have upheld the exemption of certain ingredients and components and have not upheld others. In most states that Nucor operates the many steel mills, most of the ingredients and components are not taxed. Well, the Nebraska Supreme Court has stated that they think they should be taxed. LB 430 clarifies the intent of the Legislature when it was passed in 1967 and it narrowly solved the problem to avoid unintended consequences. I think that's very important that it's only intended. The bill language was actually drafted by the Department of Revenue. Nucor is Nebraska's premier recycler. They recycle a lot of scrap metal for use again as steel. They produce both carbon and alloy steels. The scrap metal is melted in electric arc furnaces. It's poured into a casting billet system and then it's converted into angle, flat, round coils and other similar steel products. If you've never been to Nucor Steel, it's a fabulous building. It covers many, many acres. It's just an outstanding business for this state. I introduced LB 430 basically for three reasons. I don't believe that a product should be taxed twice at retail, once as an ingredient and the second time as a finished product, and that's what the Supreme Court has stated. The original intent of the Legislature was clouded by the court to the point, I think, that we need another expression what we meant when we said when they actually...what we meant by what is supposed to be taxed and what is not. The tax that would be reduced by this bill, I think, is very small in comparison to what Nucor pays and what it actually generates. They're going to be building a 70 million dollar addition and it's going to generate many more taxable dollars than what this would amount to. Just to show you what kind of an industry it