

SENATOR COORDSEN: Well, out on the farm we're on a rural water system. We pay about \$10.65 a thousand for the water we use which is all sales tax liable. Now I always run about probably five gallons a week or so out for dog.

SENATOR HALL: Uh-huh.

SENATOR COORDSEN: Now under this amendment I could deduct that volume the dog drank from my bill and I wouldn't pay for dog but I would pay for me.

SENATOR HALL: Correct.

SENATOR COORDSEN: Well, that's good. Thank you, Mr. Speaker.

SENATOR HALL: And you bring up a very good point and I'll address that.

SPEAKER WITHEM: Thank you, Senator Coordsen. Senator Hall.

SENATOR HALL: Thank you, Mr. President, members. Senator Coordsen brings up a great point because at the same time we're debating this bill this year, LB 106, there was another bill that got introduced in the Legislature, it's LB 853, and it said we're going to put sales tax back on food for humans. We want to put the sales tax back and allow for a tax credit for low-income humans. So the next amendment ought to be that we'll leave the sales tax on but what we'll do is allow for those low-income agricultural folks to basically apply for a credit, a tax credit to get back any sales tax that gets paid. In other words, at the same time we're debating the issue of whether or not we exempt feed for animals, we have a similar bill that's introduced, frankly, by many folks in the ag sector that says let's put the sales tax back on food for humans. Now granted, Senator Dierks isn't on that bill and I want to make that very clear and I don't think, to my knowledge, that he's ever supported it and I don't think he supports it today and I don't mean to point the finger at him, but my question is this. And what I tried to point out is that you look at this issue and say that somehow we're trying to compete and I would argue that the competition is not that great and that what you have to look at is the ever increasing desire to erode the sales tax base. And the issue I raised with regard to the animals I guess points it out more than any because the only difference is what is the animal ultimately used for? Do you eat it or not? And you