

February 20, 1996 LB 1050

state of Nebraska. And in the 1994, and I didn't divide this out exactly, but if you go to the section on that that has Sole Proprietorship Farm Returns, what that means is people that have more total gross income before expenses from agriculture than they do from other...any other source, that's the federal definition for filing of federal tax purposes, and there is...there is a return that you file where in the business of production agriculture, the sole proprietor, called a Schedule F. And what a Schedule F is, is the total income from a farming operation and on that form you deduct the expenses of doing business, the business expenses, including, of course, property taxes, which on a business outside of your residence are a cost of doing business and deductible. But the point that I wanted to make out of all of that is that the net income for the 55, 56 thousand sole proprietorship farm returns this year from farming, not wages and other sources of income, from farming, was just a little bit under \$5,000 per farm, the average for the farmers. And then I would have a question, based upon that, of Senator Bohlke, if Senator Bohlke would respond.

SENATOR CROSBY: Senator Bohlke.

SENATOR BOHLKE: Yes.

SENATOR COORDSEN: Why, Senator Bohlke, do we continue to insist that property valuations per student in total are a valid mechanism for determining the wealth of a school district?

SENATOR BOHLKE: Because, currently, under 1050 that's what we recognize, property as the value of...the main value of resource, because that's what local school districts are able to tax.

SENATOR COORDSEN: And yet we have a class of people in much of Nebraska who are paying most of the support and have very little income to do it. Is that, in your mind, an equitable way of funding education?

SENATOR BOHLKE: Senator Coordsen, like I've said, I've...you and I are both farmers. I've heard that, and as we look at, is it equitable? With the income in the formula, and the debate we had, did not prove to be equitable in a place such as Sandhills Public, so it's very difficult to get to that because it is not