

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 12, 1999 LB 630

between the parties. I don't think that's going to cost \$30 million a year. In fact, I'm not quite sure how we're going to get a good fiscal estimate. But it was the judgment of the committee that it seemed reasonable to reduce the LB 775 credits and use those reductions in credits to fund Senator Brashear's bill. It seemed to us that we were shifting economic incentives from one kind of activity to another, and that that wasn't inappropriate. So, on that basis, I certainly oppose Senator Brashear's amendment to the amendments. It takes away the balance that the Revenue Committee hoped it had structured in the bill. And, if we were even vaguely correct, it wouldn't have a large General Fund impact. It would have an impact on LB 775 credits, but it would divert monies, that we're spending now, from one use to another. Now, Senator Brashear passed out something, a green sheet. I like the color green. It is captioned up "Agricultural Tax Exemptions," and then "Other Agricultural Tax Exemptions." And there you tote up the numbers for water, for livestock feed, water, medicines, chemical exemptions, seeds, grasses, grains exemption, agricultural chemicals, animal semen exception, et cetera. Those look to me like production inputs. And to the extent those are production inputs, those are exempted for everyone. If the implication in Senator Brashear's handout is that he thinks those things ought to be taxed, the Revenue Committee will take it up. But I don't think you'll like it, because there are lots of things that we don't tax. We don't tax electricity when it goes into a steel plant, for example, we exempted the refractory bricks in the steel plant, we don't...well, you get the idea. I don't think you'll like that. The other agricultural tax exemptions, some of them fall into the same category: oxygen for aquaculture, you have to oxygenate the water so that the fish can use the oxygen and grow, it's literally an input; the electricity, coal, gas fuel,...

SPEAKER KRISTENSEN: One minute.

SENATOR WICKERSHAM: ...when 50 percent is used for agriculture, again it's a tax on inputs. Again, I doubt that the implication from Senator Brashear is that we ought to examine the taxation of inputs into production, whether it's for agriculture or for any other kind of business. But again, I would assert that we should oppose Senator Brashear's amendment to the committee