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LB 312

provide those jobs that will provide benefits, or they won't qualify. And they have to meet that 60 percent status on jobs, and so on. So this is going to be the rural...this is part of the rural component, I should say, of the bill, LB 312, which is going to be such a benefit to the smaller rural counties. I say that...I need to back up and state that sales tax has been quite a burden when you recruit a company to Nebraska. And I sat with a CEO and a president of a company from North Carolina at a meeting. It was this winter, here in Lincoln. One of their questions they asked was, why in the world does Nebraska still have a sales tax on equipment? From North Carolina, and there are only a dozen or so states that still tax...put sales tax on manufacturing equipment, machinery and so on, and Nebraska, of course, is one of those. And it makes it difficult for me to say, you're too small to qualify for LB 775; you're going to have to pay it, I'm sorry, but please still locate in Nebraska. So...and don't sell short the fact that people are watching what we're doing with LB 312 today. I received a phone call this morning from a company looking at the research and development issue, which is also in this bill. I'm straying a bit from sales tax exemptions on machinery and equipment. But they pointed out that Texas had a 5 percent credit on R & D investments; Nebraska, our proposal is very modest, in that it's only 3 percent. So believe me, people are watching what we're doing here today with this bill. Back to the sales tax exemption, 38 other states exempt machinery and equipment from sales tax. Nebraska, the only way you're going to get that now is, of course, qualify as a LB 775 company. Hence, this is a benefit to those small, and the large manufacturers in some cases, across the state. And it's going to be focused more on rural Nebraska, if you will, than on, say, Lincoln and Omaha. The Department of Revenue did a rough estimate for us on the breakdown of who will be using this. And they estimate that roughly two-thirds to three-fifths of the exemption will be used outside of Lancaster and Douglas Counties. And they also included, I think, Sarpy and Cass in that Omaha area. I'll repeat myself. They estimate that roughly two-thirds to three-fifths of the exemption will be used outside of the metropolitan counties in Nebraska. That means counties that might be as large as what I consider very large, metropolitan area of Hastings, Adams County, or Hall County, Buffalo County,