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LB 90, 312

businesses, which this does. And I know I'm repeating myself, but the companies now that are qualified for LB 775 have to go through the process of go ahead and pay the sales tax on those, that business equipment, machinery and equipment, and then work through the process of LB 775 for a refund.

SENATOR CUDABACK: One minute.

SENATOR BAKER: What my part of the contribution to LB 312 does is actually change the tax climate, and it should free up some hours over there in Department of Revenue simply handling sales tax refund applications and so on through those LB 775 companies, but also it allows the companies that are too small, that didn't qualify for LB 775, to go ahead and access this as a business climate improvement tool, and it simply cleans up the process. For those who are...had been in LB 775, it will continue to fulfill those contracts. But any new investment in business machinery and equipment will obviously be exempt. So that's the first step to improve the business climate, in my estimation, and it's very important to rural Nebraska. With that, I'd return what little balance of time I have to the Chair. Thank you.

SENATOR CUDABACK: Thank you, Senator Baker. Senator Landis.

SENATOR LANDIS: Senator Baker reminds us that we are part...we are looking at a variety of things together. I think Senator Erdman, I think, implies as well that notion of looking beyond LB 312 into LB 90 and others, because there is some thinking that's going on across measures as we try to update our incentive package. Look, we are working in a difficult milieu. We are floating along in a way that has diminished momentum compared to where we were 17 years ago. Seventeen years ago, we were on the vanguard. There were probably 10 to 11 states that's had tax incentive programs, and we were joining a relatively elite number, and when we did so we did it with a powerful package, an attractive and an expensive package. But in the intervening time states have crafted narrower, quicker, faster incentives, and we are no longer at the cutting edge. We are in the middle of the pack. Kansas, for example, has a one-time nonrefundable credit for an increase in employees and