

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

May 9, 2005

LB 312, 695

SENATOR CUDABACK: Thank you, Mr. Clerk. Senator Landis, to open.

SENATOR LANDIS: Senator Cudaback, this is the manufacturing sales tax exemption--Senator Baker's bill, LB 695, in its original form. I would ask for the adoption of FA237.

SENATOR CUDABACK: You've heard the opening on the second component, known as FA237. Open for discussion. Senator Don Pederson.

SENATOR D. PEDERSON: Thank you, Mr. President, members of the Legislature. I have a question for Senator Baker. Back to the microphone.

SENATOR CUDABACK: Senator Baker.

SENATOR D. PEDERSON: I have heard that this is going to be a tax incentive and that it's part of an economic benefit package to the state. I would really like to understand how this is going to benefit. I understand the loss of the income, but what I'd like to know is, what is the offsetting dollar benefit to the state by doing this? And I recognize that what we're saying is, this helps business generally. But you know, we have an inheritance tax yet in Nebraska. The only reason we have an inheritance tax is because the counties can't do without it and they really need that money. Now my question is, since we're looking at a total economic package, would you please explain how this is going to benefit the state of Nebraska?

SENATOR BAKER: Yes, thank you for the question. This is a tax...this improves the tax climate. It's part of the package, in that the tax climate is improved, and it's not directed toward any one particular size of company. Anyone who has a purchase of machinery or equipment is going to qualify. They simply will not pay sales tax on it. It's to get us in tune with 38 other states, and we can use it as a selling tool, when someone comes to Nebraska and says...right now, in my specific case, a company out of North Carolina who was looking at Nebraska said, why? And I said, well, we're working on