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LB 312

eliminating it. So this would improve the tax climate.

SENATOR D. PEDERSON: Well, I understand the improvement of the climate. I understand the benefits that would be derived to the various manufacturers or people who would utilize this bill, but I just...I'm just curious, because I know we're going to lose a considerable amount of money, not just this year, but each year that this is enforced. I'd just like to see an offsetting benefit, and if you could just describe that, if you've done any...have any figures or any understanding as to how that would occur, that generally the state would benefit from this, aside from the generalities of tax climate, and we're the only ones that don't do it. Just please tell me how it would work. Thank you.

SENATOR BAKER: Well, to me it's directed toward small businesses in rural areas, Senator Pederson. I...right now the big companies are qualifying through LB 775 for, you know, reimbursement or, if you will, repayment of those. They have to pay them, and they obviously have to earn them through LB 775 requirements, but then they're reimbursed. And some company that doesn't meet the thresholds can't qualify for these. So what we're looking to do is recruit that small, 15-employee, million dollar investment to rural Nebraska, which we're working on some of those. And granted, there's going to be a revenue loss, and I was surprised it wasn't as great as it was, but the Revenue Department said, well, yes, but the big users of this are already qualifying under...people that are eliminating sales tax on this equipment are qualifying under LB 775. I, quite frankly, was surprised it wasn't a larger fiscal note on it. But we're going to be able to try and recruit, or we will be able to recruit better now, simply because we're coming in line with such a wide...such a majority of the states that do not have this tax. I still don't know whether I can answer your question. It's a climate issue. Tax climate is so much better when we simply don't have this tax.

SENATOR D. PEDERSON: Has anyone given us an estimate of the dollar benefit that may result from that improved climate? That's what I'm concerned with, because I know we have the ongoing expenses of the state. I...and it's just very hard for