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LB 312

SENATOR CUDABACK: Thank you, Senator Baker. Senator Raikes, on your amendment.

SENATOR RAIKES: Thank you, Mr. President, members. Senator Baker makes several points which I'll respond to. First off, his priority bill...I don't mean to pick on anybody's priority bill, and it just happened that way. And that's not...it doesn't have anything to do with my intent here. He mentions that big companies qualify, but little ones don't. Isn't that the idea of tax incentives? You know, if...you're trying to bring in the big companies, so you're putting out lures for them. If you don't like that idea, then probably you should join me in voting against LB 312. That's what we're about here. The tax climate issue; I mentioned income tax as being the biggest problem in the tax climate, as reported in an editorial, for Nebraska. You mentioned personal property tax. If it's personal property tax or income tax, why are we cutting sales tax, and in thereby eliminating the possibility that we're going to be able to address either income tax or personal property tax? If those are the real climate issues, let's address them. Let's not waste our effort on something that really doesn't matter. How many new jobs? The conversation has been really silent on that. This is a gift, if you will, to some businesses in Nebraska. Is there any real evidence that this is going to generate any new jobs? I haven't heard it. I think that, you know, some people probably would like not to have to pay sales tax, although, as I've already pointed out, they are going to...they're going to face a higher federal and state income tax obligation if they don't pay taxes. The comment of me picking on little businesses; well, I am a little business, and so I guess in that sense I may be picking on myself. But again, I don't understand this as picking on anybody. I understand this as constructing a revenue base for the state. If we didn't have to have any revenues for the...to operate state government and all the local governments, I'd say, fine, no taxes on anybody. But because we do, you've got to construct that base in the most logical, fair manner you can. And imposing a sales tax on business machinery and equipment is logical and fair. That's the end-use of those products. Keep in mind that if the item is going to be used as an input in a final product, there is no sales tax. It's only when the product is in the hands of the