

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

May 25, 2005

LB 312

you to keep track of. This goes, in my opinion...and this is a question or decision that you all have to make, maybe already have made, that in my view, we're going way too much in the direction of sacrificing tax base, which has to support everything. And by the way, I believe in public K-12 education. I believe in public higher education, I believe we need a prison system, a correctional services in the state, I believe we need a social safety net, all of those things, as I think you do. But we have to have a tax base to support those things. And if it isn't fair and equitable, it simply won't work, over time. This particular provision is something that we don't need to do right now, I am convinced. And I will add one other point. The two-year part, I think...well, I did make comments on the floor that I would be exempt from sales tax on my back hoe. Well, what was pointed out to me is that we don't know for sure whether or not that's the case. I may not be; I may not be. Is it manufacturing equipment, or isn't it manufacturing equipment? What exactly is manufacturing equipment? Apparently includes some transportation but not other transportation. And this is in spite of some very diligent and effective work by the legal counsel of the Revenue Committee. It's simply very hard to figure these things out. I think there would be no problem with delaying this for two years and reconsidering it. I would urge the support of Senator Beutler's motion. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. Senator Beutler, there are no further lights on. You're recognized to close on your motion to return.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, again, just to remind you what the amendment does. It puts the sales tax exemption in place, but it puts it in place commencing January 1, 2008, instead of right away, January 1, 2006. Again, I hope you will take to heart the conservative approach that I'm outlining to you, that your first responsibility is to have the money in hand to support the state budget, without raising taxes, hopefully. Almost always, hopefully. And you...there is no way you can be sure that you won't have to raise taxes or even have a reasonable probability that you won't have to raise taxes with the current deficit of \$250 million you have four