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SENATOR KREMER: If it was not considered agricultural land, if it was involved in a 1031 exchange, what would it be considered if it's not agricultural land? Say, it's farmed and say this person even decided to come out and farm it?

SENATOR LOUDEN: Well, it could be either...whether they use it as a recreational...set it up as a recreational code or where they want to set it up. But it actually wasn't bought to farm, so you could call it whatever you wanted to.

SENATOR KREMER: Well, it...

SENATOR LOUDEN: I guess commercial. You could call it commercial property or whatever it would be. It would still be taxed at 100 percent; it wouldn't be taxed at the 75 or 80 percent, whatever you decide on today.

SENATOR KREMER: It would be taxed 100 percent at that point.

SENATOR LOUDEN: Right.

SENATOR KREMER: And, okay, when you say it's not bought to be farmed, how do you know that? I mean that isn't saying somebody could do that so how would you determine then between who's going to decide that he's going to come out and farm it and the next person is not?

SENATOR LOUDEN: Mostly because it's bought at an inflated price, I guess.

SENATOR KREMER: Well, I understand that.

SENATOR LOUDEN: I mean, whether it's ranches or not. I mean, you're probably familiar with it, about what farmland is worth in your area and what they're paying where they do these 1031 tax-deferred sales. I'm sure you're familiar with them in your area.

SENATOR KREMER: Well, you're exactly right, and I understand that. But I think that if we would say that they're always purchasing not to farm or ranch, would not be the case. And how