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

March 22, 2006 LB 990

importance of the contributions of agriculture to Nebraska at this point, and especially livestock production, believing that most of you have heard quite a bit about it in the last 45 days that we've been in session. If there are questions, I'll certainly be happy to talk about it. But what this bill does is give an incentive for livestock production, and this year it proposes to go into the Nebraska Rural Advantage level 1 tier creates another area that we can...for livestock production, and that's what the bill does. And I've handed out two handouts, one with the explanation of LB 990 and another one giving examples of livestock investments. The first one is on what LB 990 does. It becomes part of the Nebraska Advantage Act. It fits into a small business tier. It's for the modernization expansion of livestock operations, which includes construction, buildings, improvement, acquisition of equipment, management, odor control technology, and so forth. It is a refundable tax credit amounting to 10 percent with a maximum limitation of \$300,000 investment which would equal \$30,000 of a refundable tax credit. It has a \$500 application fee which is the same as throughout that business tier. It must be approved by the Tax Commissioner, and in this particular tier there is a \$3 million cap on this tier, and so this does not at this point The applicant can choose whether to increase any spending. apply for the livestock operation credit or the small business I also handed out the second one which totals the credit. examples of the livestock investments. And the reason I did this, we've had a lot of discussion about the difficulty in getting started in agriculture, the difficulty in accessing land either to buy it -- which we've talked about it here earlier this morning, this afternoon it was--about the price of land and how it's getting high-priced throughout the state, well beyond its ability to earn itself an income. And so there is some alternatives for young people or anyone to get started in agriculture using livestock. Because it contributes so heavily in our state and because we've had a past history of it, I felt it was something that is still a viable industry in this state that we ought to incent. And so it gives the examples, if you read there, a 1,000-head finishing unit can run from \$160,000 to \$200,000; a farrowing unit, \$2,000 per sow, and most of those now...used to be 500 was big, that's minimum today; building costs for a dairy; feedlot costs of \$150 per head; and, of