

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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FLOOR DEBATE

March 24, 2006 LB 312, 1010, 1189

CLERK: 26 ayes, 0 nays, Mr. President, on the advancement of LB 1010.

SENATOR CUDABACK: That completes that portion of the agenda, the Connealy division. We now go to 2006 Speaker priority bills. Mr. Clerk, LB 1189.

CLERK: LB 1189 by Senator Synowiecki. (Read title.) The bill was introduced on January 18, referred to the Revenue Committee, advanced to General File.

SENATOR CUDABACK: Senator Synowiecki, to open.

SENATOR SYNOWIECKI: Thank you, Senator Cudaback, members of the Legislature. First of all, I want to publicly thank the Speaker for the designation. Members, you know me, I don't typically bring parole business, tax bills before the Legislature, but this is uniquely different and it's...truly, what this bill is doing, I believe strongly, is simply clarifying what we actually did last year in our incentive act. And I very much appreciate the work of the committee and very much look forward to getting this clarifying language taken care of for our steel industry in the state of Nebraska. The bill, LB 1189, was heard before the Revenue Committee on February 10. It advanced to General File with seven members voting affirmatively. There were five individuals that testified as proponents at the hearing. There were no opponent testimony and no neutral testimony. As far as history, members, in the late 1990s the Legislature adopted a sales tax exemption for certain molds and dies, specifically for plastic injection molds. The Department of Revenue adopted a regulation, effective November 11, 1998, defining the type of mold and die that was exempt from taxation. That regulation, 1-095, specifically allows that molds and dies are exempt from taxation when the mold or die is used to produce a product which is either injection molded from plastic or stamped from metal. Last session, the Legislature passed LB 312, the Nebraska Advantage Act. A part of the Nebraska Advantage Act was to eliminate the sales tax on manufacturing equipment. Manufacturing machinery and equipment is defined as any machinery or equipment purchased, leased, or rented by a person engaged in the business of manufacturing for use in