

January 15, 1976

concerned about this bill but I do have a lot of lights on.

SENATOR KREMER: How much time do I have left?

PRESIDENT: A minute and a half.

SENATOR KREMER: A minute and a half.

PRESIDENT: Yes, sir. You can be recognized again after lunch.

SENATOR KREMER: I want to use that minute and a half right now. Senator Burbach, one more question. Is it true that if LB 382 is adopted as is, that we will be in line with all of the other states? I understand this is true? No other state taxes co-ops like we are in Nebraska. All right. Thank you.

PRESIDENT: Senator Mills.

SENATOR MILLS: Mr. President, I have a question of Senator Burbach, to give you some more time. Senator Burbach, you gave an illustration. I have got to make this clear in my mind. I am going to support LB 382, Senator Duis, so don't get excited. I am going to support 382. Just settle down, relax, but I want to know whether to support this amendment or not. Now you gave the example of the \$100 dividend and \$50 of that was retained, Senator Burbach, \$50 was put out in cash. So that patron would receive as the law is today a statement from his cooperative showing that he had to pay income tax on \$100. Is that correct?

SENATOR BURBACH: That is correct and also under 382.

SENATOR MILLS: Okay, now let me get to it. You are getting ahead of me. Under 382, it would relieve the cooperative of paying a tax on the part that was deferred or in other words the \$50, is that correct?

SENATOR BURBACH: Correct.

SENATOR MILLS: And, then, but yet, the patron would still have to pay on the \$100, the \$50 deferred and the \$50 cash?

SENATOR BURBACH: Correct.

SENATOR MILLS: Okay, now, this is the part that I really am clear about and I think it is important because the people who are patrons should...this is their point. Under your amendment, then, the \$50 that is deferred, the cooperative, when they issued the statement to the individual patron, would only show \$50, not \$100.

SENATOR BURBACH: Also correct.

SENATOR MILLS: In other words, those 40 letters that I have here on my desk from people who have lobbied me to support this saying remove the double taxation, this still does that?