

reason we have to pass bills like LB 775 and now, apparently, LB 830 is because we have bad tax policy in the State of Nebraska. We have a bad tax policy for the business climate in the State of Nebraska. We seem to be one of the only states that stands on the archaic tax policy of taxing personal property. I talk to my farmers, I talk to the custom harvesters in our area, I talk to my machinery dealers. Quite frankly, I have a custom harvester that lives in the Holdrege area. He and his brothers own about seven or eight combines and they trade combines every year. Where do they trade their combines. They trade them in Kansas. They no longer trade with the local John Deere dealer. Why? They don't want anything to do with tax policy in the State of Nebraska. They don't want those combines taxed in Phelps County because they can have them in Kansas and not pay personal property taxes on them. North Dakota is leasing combines to Nebraska. I am not talking about implement dealers or leasing companies. I am talking about farmers. They cut their wheat in North Dakota, then they bring their combines down to Nebraska for the harvest season. Nobody is paying personal property taxes on those combines. If I owned my own combine, it might cost me two or three thousand dollars a year in personal property taxes to own that combine. But the North Dakota farmer can rent that combine to my neighbor and it is running across the road and nobody is paying Nebraska taxes on that combine, and our machinery dealers aren't getting the business. We have a lot of tax problems in the State of Nebraska, and I am not interested in another LB 775 that opens up a lot of special exemptions. We wouldn't have had to pass LB 775 if we didn't have such high property taxes, if we didn't have such high personal property taxes. The states of Kansas and Iowa do not tax personal property taxes...do not tax personal property. Every time you pass a tax incentive bill and more personal property is exempted like under LB 775, it affects our school aid distribution formula. There is about \$200 million worth of personal property not being taxed in Douglas County at the present time. I can tell you that most of the rural counties do not have any benefits from LB 775 as far as when it comes to distributing our school aid. Most other states are willing to tax consumer items and not tax businesses. If you look around us, you'll find that Kansas and Iowa and Colorado do tax food. We have a lot of tax problems in the state and I don't think 830 is going to solve those problems, but I think if we limit it to one company, like Senator Coordsen is attempting to do, then we can at least slow down the erosion of our tax base. Thank you.