

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 12, 1999 LB 630

impacts of the committee amendments, you'll have to look in your machine or in your files for that revised fiscal note. It ties into the 775 credits. We're reducing the ratio of credits that you can qualify under the Beginning Farmer Act, as opposed to 775. For example, you can, under 775, qualify for 5 percent of your payroll, under the Beginning Farmer Act, as the committee amendments propose it, you would qualify for only 4 percent of payroll. You likewise would have a reduced ratio of sales tax that you would qualify for, under 775 it's 100 percent of your sales tax associated with the project, in this instance it would be 80 percent of the sales tax rebate. We make sure that the income tax credit in this instance is refundable, and we do change the composition of the board, that's proposed in the bill, from 11 to 7. We're eliminating the fiscal analyst, one of the lenders, one of the current farmers, and one of the potential beneficiaries of the program, and we're providing for administrative review from the decisions of the board. The bill is an interesting attempt to address a major issue that we have attempted to face in this state through a variety of other means. Arguably, Initiative 300 was an attempt to do what Senator Wehrbein is doing, and that is keep a very diverse group of agricultural producers active in this state. We have devoted, in the past, very large amounts of money as state incentives for very large enterprises in the state of Nebraska. I think that Senator Wehrbein's bill is an extremely interesting attempt to focus on agriculture as an industry, and to focus on the persons who might be seeking to enter that very capital-intensive and, I might note, also labor-intensive industry. It is a very difficult one to break into without very, very substantial resources. If this program is able to provide start-ups, or the ability to start-up for some new producers, I think in the long-run we'll all benefit, and we'll benefit in a variety of ways. We'll benefit from the support that they bring to our communities, that we'll benefit from the tax base that they maintain for us, we will benefit because of the diversity that they bring to our communities, we will benefit from the competition that they bring to the agricultural community itself, because, as there are more and more producers within the agricultural sector, they do compete with each other. And it is part of that competition that has resulted in very low food prices in the United States. It is ironic, sometimes, to think that we would allow overconsolidation in Nebraska's