

April 3, 1974

PRESIDENT: All right now at this time, I understand there are other amendments on the Clerk's desk and we can't consider them because the ten minutes has expired. They will have to be considered if at all on Select File. Senator Marsh. Now just a minute, hold on. Clerk says I ruled before we could consider them. They're just not debatable. The only problem with that I see is, how do you know what you're voting on unless you have a debate? Now, just give the Chair a second here. I don't know how you can vote on these amendments if they're not explained. Senator Burbach.

SENATOR BURBACH: Actually all that bill did provide for was changing from \$10 to \$12 and now this amendment made it \$13. That is the whole substance of the bill actually as of now.

PRESIDENT: Well, the Chair's going to rule ten minutes is ten minutes. Motion now is to advance the bill. All those in favor vote aye, all those opposed vote no. Clerk will record.

CLERK: 29 ayes, 4 nays on motion to advance, Mr. President.

PRESIDENT: The bill's advanced. LB691, Mr. Clerk.

CLERK: Read LB691. There are committee amendments by Senator Burbach's Revenue Committee.

PRESIDENT: Senator Burbach.

SENATOR BURBACH: I move for adoption of the committee amendments. Mr. Chairman and members of the Legislature. These amendments change the present way of taxing coops. There's been much work done on this bill and there has been more light shed on the bill than ever...in the...since we've had a tax...an income tax in Nebraska. After the hearing, during the hearing and after the hearing, in cooperation with the Revenue Department and those people involved and interested in a tax change for the co-ops, this is the amendment which was offered, which was suggested and accepted by the committee. It puts the co-ops now in a more favorable light for their operations than we were in the past. It does not provide all of the exceptions that those people that testified at the hearing desired at that time. But it does put the co-ops in a position more likened to other corporations in the state and it gives them, depending upon the rate of return of the payouts that co-ops make, it gives them in a direct proportion for what percent that payout is. If they are paying out 80% of their net incomes, then...or the cash refunds I should say...when they are at 80%, it is doing 80% of an income tax exemption for that co-op. If they only pay out a 20%, then it would only provide a 20%. Now in the testimony given, co-ops have been paying out, some co-ops...I think there are many different types of co-ops...but one group of co-ops, maintain they were paying out approximately 80% for cash refunds. Then this bill would give them a 80% refund. But I think if we combine all of the co-ops in the state, we are more closely talking about a 50% cash refund. And this would be tax exempt then. So I think we are saying that it would reduce the income from the co-ops from about \$500,000 to about \$250,000. And I move for the adoption of the amendment.