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those pollution equipment that have been passed by this Body. That pollution equipment being exempt from a sales tax. If we're going to exempt those items, those things from sales tax, let us exempt a few more that are extremely important and something that this Body will very likely be doing within the next year or so anyway. Just as well face up to it today.

SENATOR KEYES: Senator Burbach, I couldn't agree with you any more hardily. I want you to know, Senator Burbach, that all the taxes that are paid to pay the development of SID districts, the sewers, the streets, the water lines, the gas companies and the telephone lines, these are all subject to a sales tax yet they are paid for by the taxes of the people that own the district. And Senator Burbach, if you insist on taking it off of these people, then I'm going to amend this bill to remove all sales tax from all items purchased to development of SID district. I think that Senator Burbach, you have been down in this Legislature and I assume that you take thousands and thousands of dollars off of the tax role but I have never yet heard you come up and put a tax on anybody that is getting special treatment. Now you are taking a lot of tax off. If you really want to do it for all entities of government and SID district is an entity of government, it is spending the people's money and it is going to be paid for out of taxes so let's take it off of the SIDs also, Senator Burbach.

PRESIDENT: Senator Cal Carsten.

SENATOR CAL CARSTEN: Mr. President and members of the Legislature. I think we are right at the crux of the whole exemption matter right now. As my bill last year, before the Revenue Committee, did exempt rural water districts which will give a substantial contribution to agriculture in Nebraska, was turned down. It was at my insistence that we have an interim study on this very problem and that if we were going to open the door, and we have already, then the state was going to be faced with a continual request for exemption from the sales and income tax by governmental sub-divisions. It is like Senator Burbach says. We're going to face it one time or another and now is the time to do it. Let's don't back away from it unless either say yes or no. And take them all into consideration or else not give any. I have no grudges against the irrigation and reclamation districts. They're a fine group of people. But the service that the rural water districts in Eastern Nebraska where we do have a shortage of water and do need it for agriculture and human beings is real essential. And I can't see any significant difference in the end result. Let's make that decision, either yes or no, and let's do it now. I support the amendment. Thank you.

PRESIDENT: Senator Skarda and then Senator Syas.

SENATOR SKARDA: Mr. President and members of the Body. I happen to have been a member of the Revenue Committee for years and one of those that sat, fully recognized that I made an error when the irrigators were let off the hook in reference to the use tax. The bill in our committee put them back in the field of being taxed again. That was the full intent of the bill as it hit the floor of the Legislature. Senator Burbach has broadened the bill to include