

March 6, 1979

LB 105

farm setup and build a new building or any kind of improvement, why the assessor is out there immediately to increase my value and, well, the railroads, I am sure we all feel sorry for them generally because they always claim they have been losing so much money and they can't provide the service to our small communities, but I believe in Nebraska, if they aren't healthy now, they are certainly going to be so I guess it bothers me a little bit to think with the billions of dollars they are spending in new equipment that they are not going to pay any increased tax apparently. Now maybe this is not true. I don't know but from the testimony that I have heard that is the way it sounds. So I guess I really have a concern. Any other business in the state would have had to have increased taxes immediately as soon as they improved their facilities and I believe we should be looking at this. We, Senator Cullan and several of us, did attend the transportation conference in Ft. Mitchell, Kentucky, last fall and there the railroads, of course, were asking for relief from taxes so they could do some work on some of the branch lines and they were asking for relief from state taxes and hopefully that this money would then be matched with federal money to improve some of the branch lines. Now it seems that this is not in the picture so I really wonder if we are not being a little bit overgenerous with the railroads. Thank you.

SPEAKER MARVEL: The Chair recognizes Senator Cullan to close on the motion to advance the bill.

SENATOR CULLAN: Mr. President and members of the Legislature, I appreciate the many questions and concerns that have been raised here this morning in the discussion. I think it has been very beneficial and will help us when we come up with a much more complicated tax bill on railroads which will be coming later. Again, Senator Kahle, I believe that your statement was not quite correct. This bill will not decrease the taxes paid by a railroad. I am not sure that it will have any effect on the net taxes. It will simply require them to use current information in distributing the value that they do have across the state. The next bill that I will propose on railroad taxes sponsored by Senator Newell and I will increase their taxes between three hundred and five hundred thousand dollars and so that is one that you might be interested in. Again I believe this bill is mostly aimed at a cleanup of existing language and the one substantive changes simply requires them to use current information and I think that pretty much explains the bill. Thank you.

SPEAKER MARVEL: The motion is to advance LB 105 to E & R