

March 26, 1979

LB 175

bill is going to broaden the tax base. It is not taking anything off. You can't take something off that wasn't there. All right, the bill provides for an exemption on improvements. So if you don't make the improvements you never had any tax in the first place. Twelve states have legislation passed very similar to this legislation. I handed out a copy of a letter today from Henry Royce who is chairman of the House Banking Committee who supports this legislation. His special assistant testified in favor of this. What we are talking about doing, Senator Kahle, is providing an incentive to encourage people to make improvements on their homes, on their businesses. By doing that, that is going to broaden the tax base. It broadens it in three ways, Senator Kahle. Number one, it broadens it because you are going to hire a contractor, you are going to hire people to do the work.

SENATOR KAHLE: You are on my time. You answered the question as far as I am concerned. This is the wrong kind of philosophy. If you are going to take off everything that has to do with improvements on property, that is completely against the way our tax system is worked. Every time I improve my farm ground the taxes go up. Every time, I just finished working on my house. This sounds good to me. I won't have to put it on the tax rolls but I don't believe that is the way we want to go. We are having a terrible time trying to find money right now to run the State of Nebraska and our counties are having trouble and our schools are having trouble and here you are saying in a time of prosperity when there is a lot of building going on people don't seem to have any problem getting some building projects going. The carpenters are busy. You want to exempt them from taxation. I oppose it. Thank you.

SPEAKER MARVEL: Before we proceed, the Banking Committee is meeting underneath the South balcony. They need two minutes, so Banking Committee members, South balcony. Senator Johnson.

SENATOR JOHNSON: Mr. President, members of the body, I rise in support of LB 175. The committee amendment specifically says that this Legislature, this Legislature, will have the authority when the constitution is amended to provide by whatever law it deems fit for the nontaxation of improvements to property in this state. Now it doesn't mean that this Legislature will have to see to it that every improvement is not taxed but it can single out