

March 28, 1979

LB 103

SENATOR SCHMIT: Stock investment and historical cost.

SENATOR CULLAN: That's correct.

SENATOR SCHMIT: Now if there is a person in this room that wouldn't like to pay taxes on their property on that basis...I see Senator Clark shaking his head, you bet your life we would. There isn't a one of us that wouldn't like to pay taxes on that basis. What do you suppose they get away with it for? Because for the same reason the other utilities get away with it. When you march into that office, who's going to face up to their battery of attorneys and accountants and actuaries? Not the Tax Commissioner. We know we hire him. Hell, we pay him \$15,000 a year, and they're supposed to match the great big rolling railroad. It cannot possibly be done. It cannot possibly be done. Does the state board, Senator Cullan, have a staff to determine the value of the track, or do they just take the railroad figure? Do you know that?

SPEAKER MARVEL: One minute.

SENATOR CULLAN: There are, as I understand it, one individual in the Department of Revenue that generally spends his time on railroad taxation, and as I understand it, Senator Schmit, only one individual in the Department of Revenue.

SENATOR CULLAN: Well I think that Senator Cullan has performed a great service, not because of, necessarily, the way he's juggled the figures on 103...I don't blame him for what he wants to do on 103. I don't like it, and I don't condone it, but I don't blame him. But I think that he has opened up something here which ought to be discussed a little bit.

SPEAKER MARVEL: Thirty seconds.

SENATOR SCHMIT: It ought to be discussed. It ought to be aired, and it ought to be exposed is what it ought to be, because in the long run, yes in the long run it's the consumer that's going to pay. Who is that? We had a bill yesterday on lifeline rates for utilities, and the utilities are using hundreds and thousands of tons of coal a day, and who is getting paid for it? The railroads are hauling that coal. They protected themselves very carefully against the slurry pipeline. They didn't let anyone in on that. The consumer is going to pay for it. They're going to pay for it through electrical rates, and