

March 10, 1980

LB 666

CLERK: Yours, Senator? I don't believe so. This just came in this morning, Senator.

SENATOR SCHMIT: Didn't I have that offered earlier? Didn't I have an amendment offered to the bill earlier? If not, okay, let me tell you what it is. The amendment that I propose, Mr. President and members of the Legislature, is LB 795 which exempts from taxation railroad cars that are owned by individuals and leased to the railroad. Some of you are aware, of course, that the rolling stock for the railroads is not at the present time subject to sales taxes levied by the State of Nebraska by virtue of the fact that it is involved in interstate commerce. At the time of the original enactment of the sales tax law, it was never intended to tax rolling stock of the railroads. At that time also very few rolling stock cars were owned by private individuals and leased to the railroads. Since that time it has changed considerably. At this time, because of the shortage of capital many railroads are encouraging the shippers to own their cars and they are being at the present time leased to the railroads. It was Mr. Herrington's suggestion that we specifically outline in the law the fact that we do not intend to collect sales taxes on rolling stock owned by private individuals and leased to the railroads. At the present time the law is ambiguous. There is a doubt in the minds of the Revenue Department as to whether the tax should be collected in order to be equitable. We certainly do not intend to collect the tax. It was never intended that the state collects the tax and therefore, Mr. President, I move for the adoption of the amendment.

SPEAKER MARVEL: Senator Kahle, and then Senator Vickers and then Senator Newell.

SENATOR KAHLE: Well, I support...Mr. Speaker and members, support Senator Schmit in his effort to speed up the process here a little bit, because as far as 666 is concerned even though it has my name on it, it has nothing left in it that I started out with. So I would enjoy putting something in there that would be meaningful, and I think that perhaps this is the time that maybe we can make something...a silk purse out of a sow's ear. But I do think that this is very important and I shouldn't be joking about an issue for our elevator people, our farmers, the fact that they are threatened with a tax on these very cars that we have encouraged them to buy and to use and to extend their credit to the limit on and try to solve their problems. So I am very much in favor of this amendment.

8070