

March 10, 1980

LB 666

it, is simply the bill we heard and it takes it up front. The bill carrying the provision that we voted out of the Revenue Committee could then be killed, and I think there is a great deal of misunderstanding on this bill. We are not losing any revenues that we have received by the State of Nebraska by exempting these boxcars, or rail cars for the packing houses. Now what it boils down to, the railroad is exempt from sales tax and this I see as a separate issue. I might well vote to include all rail cars with a use or sales tax if this were the issue, but what has come about is a situation where they were not included, elevators and packing houses, with the other common carriers. This would exempt them if they purchase and the issue may well be whether the elevators can afford to purchase. When they put these cars in the railroad they will be subject to the same tariffs as the railroads that are exempted and they are put at a very special disadvantage under existing law with the Revenue Department attempting to apparently collect the sales tax in the future if the elevators buy these boxcars. In the packing industry, as an example, the only packer it will disadvantage if we start collecting sales tax on rail cars owned by a packing company would be a local firm, a small firm that buys its own boxcars where they will pay sales tax where the railroad would not, because the multinational or the cross-state, the state that is organized in more...the firm that is organized in more than one state will buy the cars in another state and will not be paying Nebraska sales tax. So anyway you look at it, what we are disadvantaging by leaving the law as is are firms that are solely Nebraska based. I urge you to support the amendment and just make a broad base out of this and treat the elevators, packing houses as we do the railroads, then if we want to draw a tax on this, go across the board and tax sales or use tax on all firms in interstate commerce on the railroads and do it across the board, because this bill simply makes it more equitable between a local elevator buying rail cars and the present situation the rails already have. We are not losing funds we have received in the past. It is an attempt to get new funds. Thank you.

SPEAKER MARVEL: Before I go to Senator Newell who has an amendment to the Schmit amendment, we have approximately 225 high school American Government and History students who are here at the Capitol attending a Youth Government Day sponsored by the Nebraska Council of Youth which is a unit of the Nebraska Committee for Children and Youth. There is a noon luncheon being held at the First Presbyterian Church, 17th and F Streets, for legislators who can make that particular event. Now will you...are you...just hold

8077