

so on and it was hard to determine what was fair and what wasn't fair so we eliminated the household goodstax. Okay, next came along the banking community and said this. We've just got to eliminate the intangible personal property tax. Why? Every year when it was time to make an assessment those that owned intangible property would take these assets out of the local bank, transfer them into a bank in an adjacent city that did not impose the tax. If we did not eliminate that tax as a result this money didn't come back, so consequently in Nebraska we did not have the money that we needed for loans and so on. They convinced us that this was right so we eliminated the intangible tax. But in turn it was a true measurement of a tax. If I had money in the bank or if I owned some bonds, it was a true measurement of wealth. Now how about the tangible personal property? That is not a true measurement. Just because someone has on his farm or his place of business a piece of equipment suddenly this ownership does not mean that he owns it. In fact I would say that most of the equipment today, especially on the farms is not owned by the farmer or rancher but the person who holds the mortgage on it. So much of our equipment today costing what it does is not paid for. Consequently it is not a true tax. However that tax was assumed by the owner. So after awhile these people woke up to the fact that now wait a minute the intangible property owner got a tax break, why shouldn't we. So, through a rather bitter fight we finally eliminated the property tax, the tangible personal property tax. At that time we heard loud and clear from the subdivisions of government, well this is not fair, we are going to lose this tax and we need it. So a commitment was made. We will return, we will refund to you that tax that you lost at the local level. We knew at that time that the time would come when it would be difficult to fairly distribute this amount of money. We knew that this was going to be a problem and how to arrive at the fairness of it is most difficult and that is where we are today. So I have watched these various issues that came out of the Revenue Committee and I have had to make a choice.

SENATOR CLARK: You have one minute Senator.

SENATOR KREMER: And, I have made that choice. I have put my name to this amendment because I believe it comes up closest to being fair based on what has happened in the rural areas today, we are not operating today with any \$20,000 combines, or a \$10,000 tractor but \$80,000 - \$90,000 - \$100,000 piece of equipment. So today if we were going to return to the rural communities that which we have actually lost, it would be a lot more than what this particular version of the bill is right now. My time is up. I am doing this conscientiously, I believe that this has come closer to being right and if we don't do what is under this proposal I think we are not being fair. Thank you.