

April 13, 1981

LB 3, 381

SENATOR NICHOL: LB 381 is advanced to E & R Initial. We will go on to LB 3.

CLERK: Mr. President, if I may right before that, Senator Johnson would like to print amendments to LB 346, and new A bill, LB 11A offered by Senator Maresh. (Read title to LB 11A). Mr. President, LB 3 was introduced by Senator Glenn Goodrich and Harry Chronister. (Read title.) The bill was read on January 8, referred to Revenue. The bill was advanced to General File. I do have committee amendments by the Revenue Committee, Mr. President.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Chair recognizes Senator Carsten for the committee amendments.

SENATOR CARSTEN: Mr. President and members of the Legislature, I move for the adoption of the committee amendments. The committee adopted the amendment which substitutes new language for the original bill. The amendment provides in essence that the exemption would apply in case of new manufacturing and processing equipment for use in a new manufacturing facility. The amendment is specifically targeted for new industry locating in Nebraska and expansion of existing facilities for manufacturing of different types or lines of products. Now the phrase "new manufacturing and processing equipment" is intended to include those types of machines commonly found in manufacturing and processing plants such as press and milling equipment. It is not intended to include the normal business equipment such as electronic data processing equipment, telecommunications equipment, office typewriters and floor buffers. The phrase, "new manufacturing and processing equipment" as used in the amendment excludes farm and ranch equipment. The amendment also requires that the facility be one of new construction begun on or after July 1, 1981. The intent of the phrase "new construction" is generally defined in the amendment, but more specifically the intent is to exempt equipment creating new manufacturing or processing operations. This amendment is designed to encourage new industry location in Nebraska by exempting its machinery from sales and use tax upon entering into the state. Facilities currently located in Nebraska would receive the same exemption upon creating a new manufacturing or processing operation in the state, but would not receive the exemption on new or improved equipment which replaces existing equipment or on new equipment which only expands