

calculations, to figure out what the going value of the company is in Nebraska. And that work has always been done by our Revenue Department. However, in the end the decision as to what the final valuation would be for franchise tax purposes was done by the State Board of Equalization and Assessment. The State Board of Equalization and Assessments says that it doesn't want to do that final valuation work anymore because it doesn't have the expertise. It simply says the final valuation work should be done by the Tax Department. The Tax Department says, fine, that's the way we want to do it. Now in the meantime good old Nebraska has got an archaic system operating at a local level which has the local assessors go out and value the property of a public service company in the local taxing jurisdiction. Thus, in Douglas County, our local assessor, Frank Bemis, has to go out and value the work of the telephone company's building. Okay? And then Douglas County will impose its property tax on the building of the phone company and the State of Nebraska will come along and impose its franchise tax on the value of the telephone company as a going company but deduct out the property tax that was imposed for the valuation of the phone company building in Douglas County. According to everybody this is an incredibly archaic, cumbersome, litigious form of valuation and taxation. And at this juncture everybody, local assessors, State Tax Commissioner, the Telephone Company and others are in agreement that the sole method of valuation should be the franchise method of valuation which is a unitary system of valuation, local valuation should be eliminated, local government should continue to receive its money, however, under a distribution formula which reflects the value of assets at their original cost. That is the bill. It's a bill that will modernize the way we value public service companies.

SPEAKER NICHOL: We have an amendment to the bill.

CLERK: Senator Johnson has an amendment to the bill, Mr. President, that is on page 754 of the Journal.

SPEAKER NICHOL: Senator Johnson, on your amendment to the committee amendments. Your amendment to the bill I guess.

SENATOR V. JOHNSON: Oh, yes. I forgot my amendment to the bill. I am simply a puppet for the Revenue Department on this amendment. If you'll look at page 2 of your handout it