

stock valuations. I mean we know right now what the Union Pacific is being bought and sold for on the New York Stock Exchange. It takes essentially the market value of the stock, uses that valuation as reflecting the real value of the railroad company throughout the United States and then apportions back, it then apportions back to the State of Nebraska what the proportionate share of that overall going industry valuation is. Now as of that point you can see not one iota of real property has been examined. Unlike the assessment of a residence or a business or a farm, not one iota of real property has been examined. Then the valuation that's been assigned to the State of Nebraska for the railroad is then allocated back county by county pursuant to existing statutory formula on the number of track miles that are in a county and we got a special formula for sidetrack and a different formula for mainline track and that was the issue that was disputed on the legislative floor three years ago. It's because the Legislature did change that allocation formula, how we allocated value back to local counties for tax purposes. That was hotly disputed and in fact it looked like some counties were real big winners I think in 1981 and then we went back in 1982 and we made some adjustments so that nobody could walk away saying that they were a real big winner or a terribly sore loser. But this bill doesn't touch that. The only time that property, that real property is actually looked at in the State of Nebraska is for the imposition of something called the terminal tax and what happens is our local county assessors, like the person here in Lancaster County that Senator Wesely was talking about, supposedly determined the valuation of each piece of railroad property within a city, not a county mind you, but within a city, and once that valuation is determined, why then of course the city property tax is affixed to that valuation and...(trouble with mike)...anyhow, once the valuation is affixed by the county assessor for the railroad property within the city, then the city levy is applied to that railroad property and the railroad pays to the city that tax. That tax is called the terminal tax. Now mind you, those real estate valuations that have been established county by county for city tax purposes are subtracted out. They are subtracted out by the Department of Revenue of the overall value of the railroad for valuing the railroad as a going business, as a going enterprise. The Department of Revenue has called to our attention that the terminal tax is a longstanding, it's an ancient Nebraska tax that no other state has, that in fact