

about picking up like \$23 million in closing some major loopholes. It does us no good to close major loopholes and open up another big one. Now the issue is, is that the railroads, those...the railroads don't have to pay a sales tax on repair parts to railroad rolling stock and common carriers don't have to pay a sales tax on repair parts to trucks. Well, if they don't have to pay a sales tax on repair parts, suggests Senator Rogers and Senator Haberman, then why should farmers and ranchers have to pay a sales tax on repair parts to their equipment? Well, the reason why in 1967 the Nebraska Legislature exempted common carriers and the railroads from repair parts on rolling stock and on trucks is very simple. The Legislature learned in 1967 that because of trackage all across the western part of the United States railroads had the ability to have their rolling stock repaired any place, not just Nebraska, but Idaho, Wyoming, Arkansas, any place they wanted it repaired, and given that ease of mobility, railroads could easily do their repair work out of the State of Nebraska as opposed to having it done in Nebraska. It was a very conscious decision made back in 1967 to keep railroads off of the sales tax in terms of repair parts. In addition, when it came to other common carriers because other common carriers are all over the nation, that is they go all over the highways, they can have their repair work done literally any place they choose to have it done. And there comes a time when rolling stock is as mobile as it is, which truly is, that there are some times when tax policy says we are simply not going to impose a tax on this particular item. But as you well know in terms of farm equipment and farm machinery, the repair work on that is done in a locale in Nebraska where the farmer or the rancher resides, just like a repair to my automobile. It is done in Omaha, Nebraska or sometimes in Lincoln, Nebraska. I mean, I don't have the ability to move my car out of state to simply avoid the tax on repair parts. So it is a very sound policy of exempting common carriers and railroads from repair parts on rolling stock and trucks, but at the same time imposing a sales tax on repair parts to farmers and ranchers on their trucks and their other farm machinery and equipment. It is a sound public policy and more importantly, if this public policy is changed, the state will lose \$4 million this year and \$6 million next year, and that is an amount that you and I cannot in good conscience afford to lose. Furthermore, we are doing everything in our power that we can to assist the farmers in their tax dilemma. This Legislature passed