

May 3, 1985

LB 715

CLERK: Nothing further on the bill, Mr. President.

SPEAKER NICHOL: The call is raised. Senator Vard, did you wish to move the bill?

SENATOR V. JOHNSON: I move the bill be advanced.

SPEAKER NICHOL: Senator Richard Peterson.

SENATOR PETERSON: Mr. President, members, I would like to ask Senator Vard Johnson a question.

SPEAKER NICHOL: Senator Vard.

SENATOR PETERSON: Under the definition of occasional sale, which begins on line 7, occasional sale, would the department define a farm sale as an occasional sale?

SENATOR V. JOHNSON: I am not looking at the definition right this minute, Senator Peterson, but I certainly know that we intended for a farm sale to be included within the concept of an occasional sale so, yes, I am going to assume that a farm sale is included in that definition, and I will go get it and look at it in just a moment, and then I can give you a better response to that but I do know we intended to include the farm sale as an occasional sale.

SENATOR PETERSON: Okay, I would like to direct another question. If family members owning machinery and equipment were incorporated as a farm corporation, if that machinery and equipment becomes the property of the corporation, will it be subject to sales tax?

SENATOR V. JOHNSON: The question is if a family...

SENATOR PETERSON: Members owning machinery and equipment were to incorporate as a family farm cooperation, will they be subject to a sales tax?

SENATOR V. JOHNSON: We intended to exclude those kinds of transfers. Some states do include those kind of transfers for sales tax purposes but the Revenue Committee specifically worked at language to exclude that kind of a transfer from related people to a new corporation for sales tax purposes, so that should be an (interruption)...