

This bill was not advanced to the floor of the Nebraska Legislature by the Revenue Committee. Your committee held this bill and last year it was pulled to the floor with 25 votes. The price tag on the bill as originally introduced is \$6 million. Now Senator Haberman recognizes that even a \$6 million nut is a big one to swallow and so he has decided, well, we won't do the exemption for farm trucks. So he has taken it off. We are working to get a fiscal estimate as to what is left. I am going to bet it is \$4 million. You are talking this afternoon about a \$4 million tax expenditure bill for sales taxes on repair parts to farm machines. Now I have some anger, some anger in dealing with this issue, and I would like for you to understand and appreciate my anger. It has fallen the lot of your Revenue Committee to have to deal with incredibly difficult economic times and your Revenue Committee has had to advance to the floor of this Legislature the bill to increase cigarette tax which this body supported. Did Senator Haberman? No. And your Revenue Committee had to advance to the floor of this Legislature the bill to increase the tax rates because we needed it. This Legislature supported it. Did Senator Haberman? No. And your Revenue Committee advanced to the floor of this Legislature LB 715 to close some sales tax exemptions, to raise \$20 million in closing sales tax exemptions, and that is not an easy political act to do, and this Legislature supported it. Did Senator Haberman? No. But what does Senator Haberman now do? Now that you have raised the taxes and I have raised the taxes, and you have strengthened the base and I have strengthened the base, Senator Haberman comes in and says I want to be a hero. I want to reduce the base by 4 million big ones, not just this year, but next year and the year thereafter, and the year thereafter, and the year thereafter. I want to reduce it 4 million bucks. Why? Says, Senator Haberman, farmers, hard economic times, they deserve an exemption, another exemption, another exemption. Do you know that federal studies indicate that we would be better off today to take farmers and ranchers off our income tax situation because there is now more income being sheltered through farming tax returns than is being paid. We would make money if we just simply didn't expose farmers or ranchers to any income tax. We would make money if we said, no, don't even pay any income tax. Well, farmers and ranchers pay a property tax, of course, in a special valuation because the voters put in Constitutional Amendment IV so they now have a special valuation method