

February 26, 1992 LB 1063

that you have kept on the farm for the purposes of producing more cows. It is possible for the same object to be treated differently under our tax laws based on the purpose to which the object is put and the intent of the owner. For example, in the sale of coal, if you are buying coal as an input in manufacturing you don't pay sales tax on it because you are not the ultimate consumer and we have a system that says you don't tax it as an input to manufacturing, but if you have a coal burning stove and you are the ultimate consumer, you pay to sales tax on that and yet the item is the same. It is coal. The question is the use to which it is put and the intent of the owner. Those elements make taxing different for different circumstances even though the object is the same as it moves through the line of commercial transactions that it experiences. We tax at different points in that line of commercial transactions and we refrain from taxing at different points in that line of commercial transactions and we do it, by the way, with every good, whether it's a cow or not, that we make those kinds of judgments about.

SENATOR CONWAY: One minute.

SENATOR LANDIS: If you ask, by the way, that we simply decide the basis of what we tax on the identity of the good, we will go into Chapter 77 and rip out page after page after page of our existing tax code because we change how we tax a good as to where it falls in that line of ultimate commercial transactions and who is responsible for it and the intent with which it's held.

SENATOR CONWAY: Thank you, Senator Landis. Next speaker is Senator Withem, please.

SENATOR WITHEM: Mr. President, members of the body, last time up I called the question and there were some things I wanted to say, but I thought to expedite things along I would call the question. It was improper to do that because there were others that wanted to speak and I do want to speak a little bit about 1063, why it should be on the floor, but maybe more about our...one of the threads of conversation that has developed here this morning is our process of seeking a solution to the problem and, first of all, I'm very pleased to hear us doing that. It is essential that we do that and I think most people looking at the political realities that are out there, that 1063 is going to be a better vehicle for doing that than would be 1120, and