

market value concept as required by existing law from March 1 or March 31, if the assessor has permitted that, to June 1 of this year and then it also rolls back other dates for setting levies that would be necessary because of that delay there. As the bill is drafted, however, if the constitutional amendment is on the ballot in May and if it is approved, then we go to the system of reporting and taxing personal property on the basis of two choices, either it is depreciable personal property and subject to a tax collected, levy collected locally, retained locally, or it is nondepreciable property in which case it would be a class that would be exempt or would not be paying personal property and, of course, that is the basis for eliminating inventory, both in agriculture and business from personal property tax and a number of other items as well. It is also the basis in which personal property, once it is depreciated out, it no longer has to pay a personal property tax. The state depreciation schedule as it is established in the bill, I didn't touch on with the comments to...with Senator Moore, but there are several ways in which depreciation can be utilized under federal income taxes. That question was raised by the Attorney General's Office in a letter that you will recall that we needed to have a single system. I was looking into a single system in any event as were a number of other people because of an equity issue that you could have the same kind of equipment actually depreciated in different basis. So the system that is included here is 150 percent accelerated depreciation schedule; exact percentage of depreciation by year is included in the amendment which I'm sure all of you are familiar with. In addition, the tax commissioner under the amendment is given the authority to set the life cycle for different types of equipment but it is recognized and I believe after hearing that that life cycle will be the same as the life cycle included in IRS, life cycles for different type of equipment, there would be no justification for a different life cycle in any event, but should Congress do something that...

SPEAKER BAACK: One minute.

SENATOR WARNER: ...was not sound, as Senator Moore has suggested, the tax commissioner would, or the State of Nebraska would not be bound on that life cycle to follow what Congress had authorized or IRS did through rules and regs, but I would anticipate that in every event, unless it was something of the nature that was inappropriate, that those life cycles would be the same. And, of course, the summary of what was done today