

refund on sales tax, which is 14.7 million. The two essentially will wash. Then there is an additional 8 million, thereabouts, 7.8, I believe is the number, on fertilizer, and if you use the 3.5 million that goes reduction in county aid, one of the numbers, generally on a statewide basis, that was to be paid 30 percent by agriculture, that's another million, two, or for a total of 9.2 million would be the increase statewide to agriculture. Now what were some of the other options? We had an amendment...

PRESIDENT MOUL: One minute.

SENATOR WARNER: ...that many supported for a 1 percent increase in sales tax. Based upon the current sales tax that is paid by production agriculture, that would have meant between 5.5 and 6 million dollars alone on production agriculture. To that you have to add what people engaged in agriculture would be paying, something like 55,000 farms according to the census at least in Nebraska. If you use 2.5 people per household, you roughly are talking about 8 percent of the population, or 137,000 approximately. The number of increase in the sales tax that was shifted to individuals based on 1 percent increase in sales tax...

PRESIDENT MOUL: Time.

SENATOR WARNER: I will repeat the numbers when I talk again.

PRESIDENT MOUL: Thank you, Senator Warner. Senator Elmer.

SENATOR ELMER: Thank you, Madam President. We seem to be talking about 1063 more than the other amendments, though I do support Senator Schmit's amendment. My objections to LB 1063 are very basic. It is an anachronistic return down the path to tax personal property that we have been gradually being shifted away from, because taxing personal property that produces income, that is basically the wrong step to take. The other objection I have with 1063 is that the basic inherent economic problem with taxing on a depreciation schedule puts any new enterprise or small operations trying to get started in buying equipment, whether it is new or used, is at a disadvantage because they are going to be paying higher tax bills on the same type of equipment that older, more established businesses that they are competing against are no longer paying. This is a trip down the wrong path. The best analogy I can make to LB 1063 is