

but, nevertheless, it was recognized very widely, as is true of other property, that an ad valorem value on stocks and bonds had a number of distinct inequities, the obvious one being the difference between growth stock and investment stock. Growth stock had no value and it was felt, if you go back and look at the committee hearing in 1963 when an amendment was placed on the ballot in '64 and adopted, that it was...and this is prior to sales and income tax...that it envisioned that income tax was a greater, more equitable way of taxing stocks and bonds, and that is what ought to be used...

SPEAKER BAACK: One minute.

SENATOR WARNER: ...when the opportunity came for a sales and income...sales or an income tax to be adopted by the State of Nebraska. Now there were some very visible things that occurred, and I suspect the same thing is going to occur once you put all personal property tax back on the roll. The year after the intangibles were repealed, there was substantial difference in the amount of deposits that was in financial institutions across the state because it was easily moved out. If it was easily moved out in the sixties, think what the electronic transfers you can do now. You can escape that taxation even easier than you could at that time. The fact that you had higher deposits because of not taxing intangibles meant that you also had greater capital available for to be borrowed, to be loaned, for economic development across this state. Those were just a few...

SPEAKER BAACK: Time.

SENATOR WARNER: ...of the benefits from its repeal and the adverse effects of when we tax intangibles, but the same arguments also apply to those production items that are included in personal property tax in the form of equipment as is true of stocks and bonds that merely represented the ownership of similar equipment.

SPEAKER BAACK: Thank you, Senator Warner. The next speaker is Senator Wesely.

SENATOR WESELY: Thank you. Mr. Speaker, members, I think the discussion that Senator Wehrbein and Senator Warner have just had is indicative of the kind of discussion we need to have and what I was trying to say earlier. We do need a broad view of