

May 17, 1993

LB 658

SENATOR HALL: Thank you, Senator Wickersham. Senator Wehrbein, on the Wickersham amendment. Thank you very much. Senator Coordsen, on the Wickersham amendment.

SENATOR COORDSEN: Thank you, Mr. President, members of the body, I wasn't aware of this change till probably some time in the last 30 days. I knew how it worked the day before. I think if you recall at the time that 1063 was enacted and then was later modified several times, most recently by LB 1 at the special session, that the intent of the Legislature was that for those items of farm equipment that was going to be placed upon the personal property tax rolls by the enactment of 1063, that those would be exempt from the sales tax in about half of a balance of what the additional cost was going to be in that agriculture, the effects of that cost them about double what the sales tax exemption cost and if we recall, probably won't get into it, the fertilizer tax was part of that and the reduction in state aid to local governments was part of that where that acted. But we came to a situation now or uncovered a situation where, in fact, because of current language in statute those items are, in fact, double taxed in exception to what I believe the legislative intent was and Senator Wickersham has drafted and prepared an amendment to correct that. The same process would be used that exists for the 1992 year insofar as a refund of the sales tax. Then for those that had determined credit that had applied for the refund, then the county assessor in that county would receive notification from the Revenue Department that an individual taxpayer had claimed a refund on repair parts and then it would be up to the assessor, as is currently the process, to double check that taxpayer's personal tax reporting form to make sure that, on the other side, the taxpayer wasn't trying to double dip, to try to get out of personal property tax and also the sales tax which might ordinarily be paid on this type of transaction if it's not going to be depreciated. It's a pretty difficult thing to find the wording to get to. I think that Senator Wickersham's system is probably the best one to clarify the whole situation, the one that is the most workable, the one that the process is already in place, the forms have already been developed, already being used by the people that are involved in this. So I would like to see at least the body of the Legislature clear up this matter and see that these types of items were either sales taxed or be personal property taxed and not both for the length of time that such a repair might be on the depreciation schedule of the individual taxpayer. As I said, as Senator Wickersham said, it