

in a direct way, sometimes in a less than direct way seems to be that the only concern is whether it's going to cost us a little bit of money and whether it's somehow, I guess, a slippery slope amendment. Well it certainly isn't any more of a slippery slope amendment than the two that were just adopted to the bill dealing with aquaculture and with supplements to newspapers and I support those changes if you will. One of them was clearly analogous to the kind of a change that we're talking about here and that being the newspaper supplement. That arose because of a change in interpretation of the current statutes by the Department of Revenue. Well we're in much the same situation with the repair, depreciable repair parts to farm machinery and equipment. In the year 1992 the Department of Revenue decided based on their interpretation of the statutes that you could get a rebate for those parts. In 1993 when we have an exemption that has almost exactly the same language in it, the Department of Revenue has decided you aren't eligible for an exemption. So in part what we're talking about here is an interpretation of the law by the Department of Revenue and we're talking about an inconsistency that I think all of us would have trouble explaining to our constituents. One year you can't, one year you can. It doesn't make any sense to me and I think our original estimates on what the exemption or the rebates, whichever way you want to style it for the sales tax on farm machinery and equipment, were overstated. We already have some proof that the rebate was certainly overstated by a considerable factor and I'm not so sure we didn't overstate the exemption, but to be quite clear about it, this is a rebate only. We don't have...I don't think it's going to be used to that large an extent but there certainly is equity in it when you have parts or repairs to something that is going to be subject both to the sales tax and to the personal property tax and if you'd have simply went out and bought a new machine, you wouldn't have had to pay sales tax. We're just encouraging a kind of economic activity. We're going to encourage people, to some slight extent, to simply buy new machinery where they can get an exemption as opposed to repairing old machinery where they get double taxed. I think it's a fair amendment, gets part of what we thought the system was when we enacted 1063. It should still be part of the system today and might still be a part of the system without this amendment, if we would have realized that the Department of Revenue might take different positions when we adopted LB 1 in the second special session.

SENATOR HALL: Thank you, Senator Wickersham. Senator Warner,