

April 11, 1994 LB 961

that meets this definition, that is the Uniform Commercial Code definition, is property that should not be subject to the personal property tax. Clearly, it is business inventory within that definition and that it should not be doubly taxed. I would urge the adoption of the amendment to LB 961.

PRESIDENT ROBAK: Thank you, Senator Hall. Senator Witek. Senator Witek.

SENATOR WITEK: Question.

PRESIDENT ROBAK: Do I see five hands? The question is, shall debate cease? All those in favor vote aye. All those opposed vote nay. Have you all voted? Please record.

CLERK: 26 ayes, 0 nays, Madam President, to cease debate.

PRESIDENT ROBAK: Debate is ceased. Senator Hall, to close on your amendment.

SENATOR HALL: Thank you, Madam President, and members, again, the amendment is found on page 1480 of the Journal. It deals with clarifying, I believe, the definition of business inventory as it relates to personal property. As you know, we exempt personal property that is considered business inventory. This would follow the UCC definition. That's all. It deals with the issue of rental businesses, those portions of the rental property that would be considered a household item if otherwise purchased. It, I believe, brings some clarity to the whole issue of what should be assessed, where the tax should be levied. The purpose of the amendment is to adopt this definition. If this definition is not adopted, then I believe the duty lies with the Department of Revenue to go out and assess everyone uniformly and equally as it relates to this kind of property, because there is a huge amount of property out there right now that is not subject to the tax. There is a lot of revenue at the local levels that is not being collected because folks don't think that it's subject to the tax. So the loss of revenue, I would argue, is not there. The argument, in fact, is that by adopting this amendment what you do is clarify what is subject to the tax so that a greater portion of items right now that are not being assessed will be assessed into the future, so that there will be a revenue increase, not a revenue decrease, because the material, for the most part, on the whole is not being assessed for purposes of taxation. I think what we