Tax Law Breakthrough.—The Tax Court now says that when you put your home up for sale, it is immediately converted into "property held for the production of income." There are two essential elements here: You must move out of the house, and you must put it up for sale.

Break #1.—You can deduct depreciation on your former home from the time you move out of it and put it up for sale until the time you actually sell it.

Break #2.—You can also deduct any repair and maintenance expenses you incur in connection with your old home.

Refund opportunities.—If you have your former home up for sale during a year or years that are still open (generally, the preceding three years) you may want to claim a refund. The upkeep and depreciation deductions which you may now be able to get can bring substantial tax refunds.

COMMITTEE HEARING, 77TH SESSION, NEBRASKA LEGISLATURE, L.B. 670, PP. 4, 12, AND 18—APRIL 7, 1967

* * * * * * *

Senator CARPENTER. Will you have it available sometime next week?

Mr. BEERMANN. I am sure we can.

Senator CARPENTER. Anyone else who is for LB 666? If not, anybody opposed to it? (None) The Chair declares the hearing on LB 666 concluded. Let's take Senator Rasmussen's bill LB 670.

LB 670

Senator ERIC RASMUSSEN. Mr. Chairman and members of the committee, LB 670 is an amendment to the Industrial development Act which I believe is the original intent of the act as it was passed in 1960 in a special session and in a session in 1961, the Enactment Law. As you are aware the I.D.A. Act, Industrial Development Act that was instigated by a special session in 1960 by the then Governor Brooks of Nebraska, was a method of introducing and bringing in industry into the State of Nebraska. However, in the meantime, there has been efforts to operate underneath this law possibly on an extended basis and it is strictly livestock operations. In my opinion this was not intended under this act. Going back over the records of what 1960 done, I visited with one of the co-introducers of the original act on the I.D.A. law in 1960, the original constitutional amendment which was introduced for the people to vote on in that general election. There was very definite evidence, and there was very definite statements within the committee report to the Legislature stated that this should be restricted to specific areas and I would like to read one sentence in particular in this committee report. It says, "The committee amended the bill to give counties as well as cities and villages the right to issue bonds and gave these governmental bodies the right to develop as well as to acquire, own, and lease property since it felt this work was necessary, the committee removed the word 'commercial' so that the bonds can be issued only for manufacturing and industrial enterprises. I repeat "manufacturing and industrial enterprises"; otherwise there could be financing of supermarkets and so on. For this reason, they removed the word "commercial" because there was some fear that they would be financing filling stations and supermarkets, etc. with the Industrial Development bonds. However, I am sure that at the time tis act was passed, they never even assumed that they would be using this for agricultural enterprises because

* * * * * * *

Mr. WAY. In this respect, Senator, I would like to submit an amendment to put this thing on the rolls of taxation, for your committee's consideration. For your committee's consideration I will give you our taxes as they are formulated in Adams County for your consideration depending upon whether or not it is acceptable or minimal involving the taxes. I will leave with this, as far as all are consigned, only 34 or 35,000 producers in the State of Nebraska raising four or seven million hogs annually. The volume of any great amount across the nation, affects seriously, our home market of which we know of right today. For this reason, we support this legislation.

Senator CARPENTER. Any questions to the gentleman? Thank you sir. Anyone else who is for this bill? Those who are opposed to the bill? Are there more than this one gentleman who are opposed to LB 670?