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Neb. Tax Exemption for Ag. Equipment Advances

(AP) - Nebraska farmers and ranchers would no longer have to pay sales taxes when repairing or replacing their equipment, under a bill that won initial approval from lawmakers.

Lawmakers voted 44-0 on Friday to advance the bill. The lead sponsor, Sen. Annette Dubas of Fullerton, says it's intended to keep jobs in Nebraska. The bill seeks to address a complaint that farmers can often buy parts cheaper in neighboring states that don't impose the tax.

The bill was enacted after a statewide study by the Legislature's Tax Modernization Committee. Several economists testified at hearings that sales taxes for business purchases create a "pyramiding" effect that increases the end-cost for consumers.

Associated Press