

April 8, 1974

That's signed by Senator Simpson.

SENATOR MARVEL: Senator Simpson, I think you withdraw that last amendment, don't you, that he just read up there?

CLERK: Strike "15 and insert 18" in the Marvel amendment?

PRESIDENT: Senator Simpson.

SENATOR SIMPSON: I would ask that be withdrawn.

PRESIDENT: So ordered, the amendment is withdrawn then.

SENATOR MARVEL: Now, Mr. President and members of the Legislature, this is rather an important amendment to LB632. And I would like to explain it loudly and clearly, if I could. What this amendment would do would be to, well, let me start over. You the other day increased the food tax credit, Senator Maresh, I think I'm right on this, from \$10 to \$13 effective what? January 1, 1975? Okay. What this amendment would do is as follows. All right. What this amendment would do is as follows. This amendment would leave...this amendment would leave the food tax credit at \$10 until January 1, 1975. At which time it would be increased to \$18. The \$18 will cost between \$11 and \$12 million dollars. It is proposed that the increase between \$11 and \$12 million dollars be paid out of a fund known as the Public School Support Trust Fund. Now, I'm going to repeat this because this is one that you need to consider very carefully. Between \$11 and \$12 million dollars as calculated by the State Board of Equalization would be taken out of the money under LB772. Between \$11 and \$12 million dollars would be taken out of that account and paid in the form of food tax credit. The purpose of this and I wish Senator Simpson would also speak to this, the purpose of this is to try to equalize differences that might occur with the passage of LB772 as far as the middle and lower income groups are concerned. Now, this is rather a substantial amendment and I think it bears consideration. I think it's important and I think this is a way to have state aid to education and still allow some consideration as far as the shift of the tax is concerned for the lower income groups. Now, with those remarks, I would yield to Senator Simpson who may have a few others.

PRESIDENT: The Chair recognizes Senator Simpson.

SENATOR SIMPSON: Mr. President and members of the Legislature. I would hope that we would adopt this amendment. If we can justify that \$13 is the proper credit for 2½%, then with the addition of the tax going to 3½% on the sales next year, then \$18 would surely not be out of line. In fact, would be just a hair short. So I think it's good that we should increase the credit to this. We have decided this is the way to go on the sales tax on food so we should do this, then there's definitely a tie between the objections to LB772 where lower income people are saying that they are going to be struck harder by the taxes by the schools. We'll not get the credit that they should have and so with this, they will be getting their food tax credit which will allow them to come out well, I believe, under LB772. And I would hope that the Legislature would take a good look at this and adopt this amendment.

PRESIDENT: Senator Burbach.