

when he washed them in the container of water?

SPEAKER LUEDTKE: Chair recognizes Senator Simon.

SENATOR SIMON: Senator Warner, I have your answer here. Senator Warner had inquired about the \$24 tax credit and what effect it would do in terms of the tax structure. Senator Warner at \$20 tax credit, we still have a surplus of \$5,247,000. At \$24, it would cost about \$400,000 or \$500,000 which would not affect the sales tax at all. It would not trigger sale tax increase at all. So the answer to your question is no.

SPEAKER LUEDTKE: Chair recognizes Senator Frank Lewis.

SENATOR FRANK LEWIS: Mr. Chairman, I certainly wasn't going to speak on the bill but since Senator Warner raised the issue that always frightened us. I want to discuss three things on that. First of all, we're talking about a rebate that would be effective next year. Obviously, by the time this bill passes, it's not going to be an immediate dip out of the treasury. Secondly, we have about \$300 million right now. As far as I'm concerned I have made no incumbrance in terms of any of the money we have available. That budget is to be determined right here. Just because some agency had a dollar level last year, that doesn't guarantee it next year. So we've got to start putting those on priorities. So, anytime somebody comes in with a bill and people say, that's going to raise taxes, as far as I'm concerned that's not necessarily so. I think this year we're going to have a more serious look, some real indepth scrutiny of the budget, in terms of what's encumbered and what isn't. As far as I'm concerned except for ongoing building obligations, those things we have contractual ties to everything else is fair game in terms of where the priorities are. Let me address the third question and I appreciate Senator Warner bringing this up, because I've said it on the floor of this Legislature 100 times. Here we're talking about a significant issue; we're talking about priorities and it gets back to what this is going to do with triggering the sales tax because of a 50-50 kind of relationship. I have some good news for you today. You're going to have an opportunity within the next two or three weeks when Senator Keyes puts the bill out that the committee voted out, that we'll set the rate. We'll say the Legislature says this year the tax rate is 3% and 17, so the artificial stimulus that we get from the 50-50 40-40 shell game is not important to the debate at present. So I think that ought to be cleared. So the arguments presented to you against moving the bill by Senator Warner, who is usually very skilled in these areas and does an excellent job, at this time false. First of all, we have no commitment to any part of that budget until it receives the necessary votes on this floor and secondly to correct the problem he's concerned about, I have a very effective solution for him in LB 99. That must resolve all the arguments against it and let's move it Richard.

SPEAKER LUEDTKE: Chair recognizes Senator Koch.

SENATOR KOCH: Mr. Speaker, I concur with almost every remark made except Senator Kelly. We've had hidden taxes on food since man devised a system of tax. But here today we once are endorsing a very direct tax and a very obvious tax. Because when people go to purchase their food, they know that the rate is what the sales tax in the state happens to be. I think that most people here missed the item I stated earlier. If we proceed forward with this folly, almost every city in