

April 10, 1979

LB 44

SPEAKER MARVEL: Motion lost. Senator Kelly, do you wish to be recognized? You had your light on.

SENATOR KELLY: Mr. Speaker, members of the Legislature, would you please have the Clerk read the amendment that is before the Legislature.

CLERK: Mr. President, Senator Wesely moves to add a new section to LB 44 as follows: Read.

SENATOR KELLY: Mr. Chairman or Mr. Speaker, in support of the Wesely amendment and in support of LB 44, I would like to bring to the body's attention this numerical history of the cost of the food on which sales tax has been paid and then rebated to the citizen. I would start in 1968 at 2½% rate, \$280 worth of purchase would produce \$7 in food sales tax that was rebated by the state to the citizen. So at that time \$280 worth of purchases of food was considered what an individual in Nebraska was using for food. Now the next year, in 1972, this amount went from \$280 to \$400, in 1974 to \$520, in 1975 \$640, an odd figure in 1977 because we had two saletax rate, a 3% rate and a 3½% rate, \$618. LB 44 would currently make that \$767 or a 24% increase from the previous year. The amendment we are addressing at this time would come to \$867 worth of purchases annually per person or an increase of 13% over LB 44. Now it would appear to me that this is a generous approach to be sure that the people in Nebraska do not pay a tax on food. The Department of Revenue has advised that in 1977 there was 1,462,192 citizens in Nebraska received a rebate for food sales taxes paid. That is 97½% of the people in Nebraska has received the \$20. Now the other 2½% would amount to someplace like 38,000 people would be those that would be excluded because they have not been in the state for six months and further it would exclude those who are in institutions and nursing homes, et cetera, that do not pay a sales tax. Those institutions and nursing homes receive the refund direct to the nursing home or the institution. So it appears to me, Mr. Speaker, that 100% of the people in Nebraska are receiving the rebate on the money paid for sales tax on food. I support the Wesely amendment and I support LB 444, excuse me, LB 44.

SPEAKER MARVEL: Senator George.

SENATOR GEORGE: Mr. President, are we still talking to the Wesely amendment?

SPEAKER MARVEL: We are on the Wesely amendment still.