

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

March 22, 1999 LB 142

committee proposed in LB 142 was to allocate the motor vehicle taxes: 50 percent to schools, 25 percent to municipalities, 25 percent to counties; and then 50 percent to counties if the vehicle was registered by an owner who did not live in a municipality. We did that on the assumption that the levies will be, in two years, 1 dollar for schools, 50 cents maximum for counties, 50-cent maximum for cities. You add those up, those are \$2. The school portion is 50 cents; everybody else is 25 cents. Now that would have caused some revenues to move around within the tax structure and that's the reason we're going to propose a committee amendment and I'll talk to you about the proportions that we're proposing in the committee amendment and the dollars that might move around if we don't do the committee amendment when we discuss that. But I want to alert you that what you'll see as an example in the committee amendment is what happens when you change the allocation of the tax between municipalities, counties, and schools, and hopefully we'll have a chance to discuss some of the ramifications of that. Now, again, I want to note for those people who have concerns about a particular political subdivision and the effect that they think LB 142 has on that political subdivision, it isn't LB 142, it's the constitution. We can't give money back to the community colleges. We can't give money back to NRDs. We can't give money back to SIDs with the constitutional language in place. Cannot do it out of the motor vehicle tax. You'll hear people suggest that there are other ways to produce revenues for those political subdivisions and that's true, but we can't do it out of the motor vehicle tax. Now the rationale for (LR) 45CA, if we should refresh our memories about that, was twofold. We wanted to simplify the taxation of motor vehicles and it worked, with the implementation of LB 271, to do that. If you remember, LB 271 is the one where we did change the structure into a fee and a tax portion, and then set out schedules that are applicable to automobiles or vehicles and made that structure much simpler than the old system of having the Department of Motor Vehicles certify values and then determining aggregate levies, et cetera. So part of the objective, part of the objective was simplification and we're still carrying that out in LB 142, attempting to keep the distribution of motor vehicles simple and then, beyond that, hopefully we can address the various ramifications if we wish to through other means. But it is a straightforward attempt to