

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

March 22, 1999 LB 142

simplify the taxation of motor vehicles.

PRESIDENT MAURSTAD: Thank you, Senator Wickersham. Members, I'm sure that the Chairman of the Revenue Committee would appreciate your attention. Senator Wickersham, you are recognized to open on the committee amendments. (AM0404 is found on page 619 of the Legislative Journal.)

SENATOR WICKERSHAM: Thank you, Mr. President. The committee amendments, as I've indicated, do one thing with regard to LB 142--they change the proportions. And the last time we started to speak about this bill we handed around a sheet of paper, I hope you still have it in your bill files, and it shows the implications of the committee amendment. Now what the committee amendment proposes is that we allocate 60 percent of the motor vehicle tax to schools, 22 percent to counties, and 18 percent to municipalities, and you can see from the sheet that we handed out before what the effect is. The schools lose a little bit of revenue, one point...roughly \$1.1 million, and you have to understand that these are estimates. Counties gain about \$7.5 million, and cities gain about \$6.8 million. The other political subdivisions, the community colleges, NRDs, SIDs, fair ag societies, all those folks lose approximately \$13.4 million out of motor vehicle taxes. Now that doesn't mean that necessarily have lost gross revenues, but they lose that much out of motor vehicle taxes. You will hear I think some discussion this morning. Senator Redfield has an amendment, for example, that wants to change the allocation between counties and municipalities in one county in the state. What we attempted to do with the allocation specifically to schools was to hold them relatively harmless, in part because of the impact on state aid. If we had reduced the amount of motor vehicle taxes going to schools, we would have increased the amount of state aid going to schools. It would have balanced out. So we would have been using General Fund dollars to replace motor vehicle tax dollars had we actually lowered the allocation of schools at this time from 60 to 50 percent, as proposed in the original bill. Counties and cities, I will have to tell you quite candidly that there is no numerical rationale for the allocation adopted by the committee. In other words, our spreadsheet people didn't come up with a number and say this is exactly the number you ought to allocate to the counties and the