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FLOOR DEBATE

March 26, 2002      LB 1085  
                                 LR 330

CLERK: Mr. President, a new resolution, LR 330 by Senator Vrtiska. It's a study resolution that will be referred to the board. That's all that I have.

SPEAKER KRISTENSEN: Thank you. We're now back to debating the reconsideration motion filed by Senator Chambers. Senator Vrtiska.

SENATOR VRTISKA: Thank you, Mr. Speaker. I had turned on my light because I had a couple of questions to ask to Senator Chambers, he's not here so I'll just pass and turn my light on maybe for later. Thank you.

SPEAKER KRISTENSEN: Senator Chambers. Senator Brashear. Senator Wickersham.

SENATOR WICKERSHAM: Mr. President, I rise to oppose the motion to reconsider, despite the advocacy that I know that Senator Chambers will bring to that issue. We have made decisions, and I think that it is now time to move on to the fourth part of the divided committee amendment. And in many respects I think that the discussion of the fourth part, which is the part that concerns broadening of the sales tax, may be even more lively and enlightening than the discussion we've had on cigarette taxes. At least I would certainly hope so. Senator Brashear wants to make the argument, and it's an argument which in principle I agree with, that broadening of the sales tax base is important to a general restructuring or realignment of our total tax system. We have, over time, substantially narrowed the sales tax base in Nebraska. We have never, as other states have done, extended it even mildly aggressively to services. We lag other states in that respect. Not only do we lag in terms of conformity with our neighboring states in that respect, but it also creates difficulties for us in terms of growth in our tax base. Because, as we have narrowed our tax base, we have had to maintain a rate that is a little bit higher than, perhaps, we would be comfortable with in competition with neighboring states. But that is the result, as is always the case, of having a narrow base. When you have a narrow base you tend to have a high rate, or higher rate at any rate, to raise the same amount of dollars. Senator Brashear wishes to suggest to us