

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

March 26, 2002 LB 1085

SPEAKER KRISTENSEN: Senator Synowiecki.

SENATOR SYNOWIECKI: Thank you, Mr. Speaker. Members, I spoke a little bit at length this morning with regard to the regressiveness of this tax that Senator Jensen is proposing. And during my lunch hour I did come across some analysis from the National Center for Policy Analysis; do higher cigarette taxes make sense? And one of their subheadings was, who pays tobacco taxes? I'll just quote; Primarily lower income families. Other things equal, the lower a person's income the more likely that person is to smoke. For that reason, a tax on tobacco is, perhaps, the most regressive of taxes, even more regressive than taxes on beer, wine, or gasoline. A study by KPMG Peat Marwick found that families making less than \$30,000 per year pay more than half of all the taxes paid on cigarettes. By contrast, families making more than \$60,000 per year pay only 14 percent. As a percent of income, lower income families bear almost five times the burden of higher income families. I ran across this, and I...and I think it tends to support the notion that Senator Jensen's idea here is indeed a regressive tax. And the only fair way, I tend to agree with Senator Chambers, the only fair way that we can deal with our current budget crisis is some type of an across-the-board income tax increase. That would be a more fair way to deal with this crisis. And allow those who are most able to afford to get us out of this crisis that opportunity to do so. With that, I'll yield back the balance of my time to Senator Chambers, should he choose to utilize it. Thank you.

SPEAKER KRISTENSEN: Senator, you have three minutes.

SENATOR CHAMBERS: Thank you, Senator Synowiecki. And thank you, Mr. Speaker. And this is a subject about which I will accept any time anybody is willing to give me. What Senator Synowiecki pointed out is the underlying basis for opposing these taxes that charge the same rate to everybody. If you were in a tyrannical society, you couldn't come up with a worse way to treat the people who can least afford to be treated that way. Those people who don't know what it means to go to the store, with a list of items you need, essentials: bread, milk, maybe some cereal, maybe some margarine, and get up to the check stand