

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

March 26, 2002 LB 1085

that is being copied and will be distributed to you and shows the income that would be derived from the proposed base broadening and where that base broadening would occur. So two issues will be in the amendment that we will offer to this part, and ask you to adopt that amendment. The one-half of the income tax will bring in about \$48 million. The proposal to broaden the sales tax base in the current biennium would bring in around \$21 million. We would still be left with a gap, and we would need to consider what to do about that, either in the budget bills that would be debated tomorrow, or when this bill is on Select File. And I believe also on Select File Senator Brashear will offer an amendment that is the red plan or whatever version of the red plan he might deem appropriate at that time. So we would have a discussion on Select File of a greater broadening of the sales tax base than what you would see in this copy. We're going to have a good healthy discussion about broadening the sales tax base. When we finish the votes on this portion for the income tax rollback or the base broadening, then we will go back to part three and take a vote on that provision and probably ask you to defeat that provision so we can move the bill today to Select File. The third part would be the cigarette tax portion. There may be more discussion of cigarette tax on Select File, but for now if we get those things, we would move the bill to Select File so it'd be in proper position for discussion on Select File. Now let us begin the discussion of what I would characterize as the merits of what we're proposing to do. First, of course, the roll back of one-half of the 1997 income tax reduction, again that's \$48 million. I've suggested on the floor before that in 1998 this body made a couple of decisions. Both of them were rather expensive and we're now finding out that we can't pay for both of them without further change. One was the desire to drop the school levy from \$1.10 to \$1.00. We ultimately found out that cost us \$83 million. We're already advancing a bill, it's been advanced to Select File that takes back \$22 million of that. The other expensive decision that we made in 1998 was to make the 1997 income tax reduction ongoing. That costs us now \$96 million a year. So we made two decisions, one of them costing us something over \$80 million a year now, one of them costing us \$96 million a year. We already have a bill on Select File that in part rolls back one of those decisions, \$22 million