

April 4, 1979

LB 285

PRESIDENT: All right, the motion is to adopt the Dworak amendment to the committee amendment. All those in favor vote aye, opposed nay. Have you all voted? It would speed things up if people would vote. We have a number of people that don't vote. Senator Dworak, do you want to do anything about it? Record the vote.

CLERK: 11 ayes, 19 nays, Mr. President, on adoption of the amendment.

PRESIDENT: Motion fails. Now we have another motion on the desk.

CLERK: Mr. President, Senator Murphy moves to amend the committee amendments to LB 285. In Section 16 strike subsection two on page 3.

PRESIDENT: The Chair recognizes Senator Murphy.

SENATOR MURPHY: On Section 13, Subsection 2, we provide that among those funds that will not be included in budget considerations are sales and use tax. I must apologize to Senator Carsten who visited with me as late as yesterday afternoon, inquiring if I had any corrections or suggestions and would tell him that this was called to my attention just this morning, that sales tax in this case would apply only to our cities and it would give them free reign to increase by 1, 1½, wherever we draw the high water mark but that amount of revenue amounts to as much as 30% of a city's revenue and it would allow them, instead of a 7% increase, a 37% if a city sales tax were imposed. I do believe that that sales tax inasmuch as it goes to the general fund of cities only, gives them a rather wide open approach to completely negating this bill and accordingly I would ask this body to strike the exemption of sales tax. Cities would pure and simply line up at the front door to create a sales tax and avoid the budget limitation and I don't think that is what we intend. If Senator Carsten would care to comment on it, I am sorry I didn't have a chance to discuss it with you yesterday, Senator, but it was just brought to my attention this morning.

PRESIDENT: The Chair recognizes Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, the basic reason that we left the sales tax out of any part of it was because LB 1 did. LB 1 was only dealing with those taxes that pertained to property and