

tion of the food tax burden, you will find that it has some information dealing with family income for a poverty level budget, for a low income budget, for a middle income budget and a high income budget. If you will look down towards the bottom of that you will find that 44% of the poverty level income for a family of four is used to purchase foodstuffs for the family. On the low income budget which is \$10,000, you will find that 28% of the family's income goes to purchase those necessities of life. For the middle income budget of \$20,000 or more the percentage that goes to the consumption, and we also have to realize that we are also admitting that there is a cost, that those people who have higher incomes tend to buy more foodstuffs and more expensive foodstuffs, but even at that it is only 7% of their total budget which goes to food or particularly that necessity of life and the high income budget, those of \$40,000 incomes or more it is only 10% that is used for the purchase of foodstuffs. So what we have is a differentiation between 44, nearly half of the low income family or the poverty level family, 28% of the low income family, 17% of the middle income family and only 10% of the high income family is used to purchase food. If you will look on there are additional information about those same individuals and how much they pay per individual. I think that this information will help this body understand the regressive, very regressive nature of the tax on foodstuffs. Now if I can talk ever so briefly about the credit. As you know Nebraska has a credit. The credit is Nebraska's attempt to try to ameliorate or moderate the regressivity question dealing with food. It provides a straight \$20.00 credit per individual in a household. The argument has long been said that that will, in fact, compensate certain families more than others and that it is a very fair way to deal with this question. Many of you have all ready heard these arguments and so I shall not bore you with long explanations but what in fact has happened, what happens is that we still find that somewhere around 9% of the population do not, in fact, apply for their credit and remember in Nebraska our credit is not only a credit on the income tax but it is also a rebate for a, yes, credit or rebate, and so with 9% of the individuals still not applying for that credit we find that a large number of individuals in the State of Nebraska still do not receive that \$20.00 credit which is supposed to ameliorate the regressivity of the sales tax on food. I think the best way and the most humane way and the most logical way is for this Legislature to admit that it is a regressive tax, that the only way that we can fairly deal with it is not tax this very basic staple of life and