

concluded by saying that she strongly favors and believes that the only equitable and fair solution is the elimination of the sales tax on food. We have had some talk about how many people do not claim the credit, and in the State of Nebraska we have claims for 1,500,000 people. We have an estimated population of 1,573,000, so, in fact, somewhere close to sixty to seventy thousand people do not claim those credits. This state is not known for a state that has made strong philosophical arguments against exemptions. In fact, Nebraska has been one of the states that has been quite lucrative in its exemptions since we implemented the sales and income tax in 1967. One of the first exemptions was written right into the sales tax law at that time and that was the exemption that exempted business and commercial property from paying a sales tax on utilities. The only people that pay a sales tax on utilities, as most of us know, are those consumers or homeowners and renters. The State of Nebraska has also exempted many other things from household... personal property, household goods to the freeport to the intangible taxes to personal property taxes for farm and business inventories and farm equipment. We have also made numerous other small exemptions. We have exempted from sales tax numerous organizations. We exempt all nonprofit corporations. We have exempted, we have exempted, we have exempted. So this is not a new precedent that we are setting here with an exemption. Many other states in the union have adopted the similar type exemptions, because it is a regressive tax, because by making these exemptions you make the sales tax a bit more progressive and more likely to be used for property tax reduction, another area in which this state has been most remiss. I think this is good tax policy and certainly equitable tax policy and one that ought to be adopted, and for that reason I strongly recommend to this body that we opt not to extend the credit but instead to exempt food. It is a basic necessity of life, one that which no one can live without and extremely burdensome to the poor and middle income taxpayers. With that I would allow others to speak on this since we do have the limitation and I would reserve the right to close. Thank you.

PRESIDENT: The Chair recognizes Senator DeCamp. Senator DeCamp. Question, did you say? Do you want to talk, or do you want...

SENATOR DeCAMP: No, I will pass.

PRESIDENT: Pass, all right. Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, I rise to explain the vote that I am going to make on