

this bill because I think it needs explanation. As you recall last year, I was the center of some controversy concerning LB 16 and the attempt to repeal the food sales tax and also the effort to raise the tax credit. My position has always been that the tax credit system is one that we should make work properly, that we should give a fair shot at raising the credit to a reasonable level and that would indeed be the best system for the State of Nebraska. However, last year was an experience for me as a freshman that I won't soon forget as we had a situation where neither the credit was increased nor food sales tax repealed, a situation that I thought was very unacceptable. So the feeling that I have is that we need to support LB 16, perhaps even see it enacted and my personal feeling has not changed that the credit system is, in fact, the superior system, but if we are not going to increase the tax credit, then it makes it very difficult for me to defend that system. At a \$20.00 level all statistics indicate that is far below the average paid in food sales tax...far below. The credit should be raised at least to \$30.00, at least to \$30.00 and that it would be reasonable to increase it further to 35 or 40 dollars even, but that is unreasonable at this point. Perhaps even \$30.00 in some people's eyes is unreasonable. The Governor has requested \$26.00. Well \$26.00 was something I tried to raise a credit to with the bill we had last year for this year. That bill did not advance. The credit was not raised. We are still at \$20.00. Twenty-six would have been fine this year. Thirty dollars is what we need for next year, and that is where the credit ought to be. I will move to amend Senator Maresh's bill tomorrow to increase the credit to \$30.00 and then I think we have a fair system with the credit system we have now. The problem is basically this though...nobody wants to do anything about the situation. They want to play games with the credit system. They want to increase it a couple of dollars and that is going to take care of the problem. It is not. The food sales tax is a regressive tax if we don't have a credit system that provides an adequate credit return to the individuals in the state. Let me talk a bit about some of the problems that have been identified with the credit system that I think need to be clarified in response to LB 16. First off, the talk is that there are a hundred thousand people, or so, that do not receive the credit. That is one figure. Another figure I have is that only fifty-five thousand people do not receive the credit, about three and a half percent of the population of Nebraska, and nobody knows for sure because we haven't had the census taken. The census in 1980 will clarify some of those questions. But my contention is that only fifty-five thousand people do not receive the credit,