

January 23, 1980

LB 44

CLERK: 25 ayes, 5 nays to cease debate, Mr. President.

PRESIDENT: Motion carries and debate ceases and we will go to Senator Newell for closing on the amendment to the amendment.

SENATOR NEWELL: Mr. President, members of the body, I would like to discuss just for a moment some of the figures that we are talking about. Now I have just applied the inflation factor, 9.9 for '78 and 13% for '79 and basically have added those to the figures of \$26 which was adequate approximately two years ago. What we have here is a figure of \$32 which would be equivalent to the median average income, right about \$20,000, just under \$20,000 which is the median family income in Nebraska, and if we are going to exempt, if the credit system is intended to exempt only or to credit only that amount that that median income or lower would pay, then we must go to a figure of \$32. Now we do have some problems with that because we don't have unlimited dollars so this amendment says \$30. By the time this takes place, effect a year from now, we should be at \$33, maybe \$34, so we are moving in the right direction if we are going to use this credit to do as we always said we were going to do. Now the problem with the way we use the credit today is we look at how much money we expect to spend and then we say how much is left to give back to the taxpayers of the State of Nebraska. Now that figure is substantially less. According to the Governor this year, that figure is \$26. Now that is woefully inadequate. We all know that. That is woefully inadequate. It is an increase from the \$20, that is true, but we are talking about trying to peg this at some reasonable, logical level and \$26 is not that amount. Let's talk about revenue loss for a moment so we can talk about dollars since everybody here seems to be more concerned about budgetary economics than they are about what is right, fair and just. This proposal would add another \$6 million to the cost of the credit system above what the Governor is recommending, \$6 million to be redistributed back to the taxpayers of Nebraska. If we were going to totally, we were not going to raise one dime from the sales tax on food, we would have to increase the credit, in other words the money that we raise and we spend from this revenue source, we would have to increase the credit to \$47. Now I think it is excessive when we talk about raising \$21 from each and every individual person in this state as a revenue that we can spend and that is what the \$26 credit would do, we would still be raising over \$20 from each and every individual in this state. Now I think if we are going to use the credit and