

April 9, 1980

LB 722

I think this is a bad bill. It is a hidden tax that the public is not aware of. Presently, the public does know how much the state gas tax is, the federal tax. If we go to this concept, we are going to get away from that openness that there is in the present system and I think it is going to have the Legislature deciding which road should be improved and which shouldn't be. I brought this up earlier in debate and I still contend that we are taking away the power from the Highway Commission and I did discuss this with people from the Highway Department. I don't want to mention any names because these people are in a precarious position to take a position on bills but they do have concern about this LB 722 and I think we should have the Legislature decide how much the tax is and not have the State Board of Equalization set the rates after the Legislature decided how much to appropriate. So I think it is in order to do away with this, find out how strong this bill is, and then act on LB 361 which is coming next with a two cent increase as amended.

PRESIDENT: The Chair recognizes Senator Cullan.

SENATOR CULLAN: Mr. President, members of the Legislature, I rise in strong support of Senator Maresh's motion to indefinitely postpone LB 722. I think there is a policy issue here that has not been discussed adequately and I hope that it is addressed by Senator Warner and by others. My concern is over who should be responsible for setting the tax rates in the State of Nebraska. Senator Frank Lewis has several times brought to this body a bill to allow the Legislature to set the sales and income tax. In my first year in the Legislature, I opposed that and now that I have a little more experience I believe that I was wrong at that point in time. The Legislature is responsible for expending money in this state. The Legislature should set the tax rates, especially as it relates I believe to the gas tax because the construction that results and the maintenance that results from this gas tax will be directly put into a fund that will be expended and so I think it is appropriate that we set the tax rates, that we look at the problems as far as construction and maintenance are concerned in the State of Nebraska. It is a responsibility that we should not delegate to any other board, particularly I think we also should discuss the function and the jobs of the State Board of Equalization and Assessment who now have a tremendous amount of work as it is. Now I am not sure that this is a function which they need to take on in addition to the workload that they have in managing the property tax situation in the State of Nebraska and then also setting the sales and income tax rates.

9741