

March 4, 1981

LB 390

would get \$6 million less on a statewide 1 1/2 sales tax, so that means that they are getting money from other areas of the state. I would like to ask a question of Senator Schmit. I noticed that he sent out a new formula here and I want him to explain what he means by "new". Senator Schmit, will you respond?

SPEAKER MARVEL: Senator Schmit, do you yield to the question?

SENATOR SCHMIT: Sure, Senator. I am sorry, I was being lectured by Senator Newell and I didn't hear the question.

SENATOR SIECK: You sent out a sheet out here on our desk that says something about "new". Will you explain that?

SENATOR SCHMIT: Yes, I would be glad to. I have been doing just like the Revenue Committee. I have been groping for some kind of a formula which has some relationship to the personal property that was exempted. This formula uses the amount of rural valuation for farmland and it uses the urban commercial property as a basis for distribution of the funds under the \$70 million program. The reason I did that was that I felt there is some connection between the urban commercial property and personal property tax that was paid as there is between the rural farmland and the personal property taxes paid. It takes a \$100,000 combine to drive over that piece of farmland. It takes a certain number of automobiles to reflect the urban commercial property and was why we did it. It is just one more formula. I don't like it as well as I like the 524 proposition, but it is a situation which helps some counties. Unfortunately, as with Senator Nichol, when you have those unique situations, when you have been sending money back based upon cattle and hogs and combines and tractors, and then you turn around and try to send it back on any other basis, inequities come up which are impossible to handle, and that is what Senator DeCamp is trying to do with his additional funds. This formula, I believe, raises the amount of money to a larger majority of counties than any other formula that I was able to come up with.

SENATOR SIECK: Thank you, Senator Schmit. I think we need to look at that. But I feel for this year that we should get with 284 and then come up with some new system in the ensuing years. There is another item that