

March 23, 1981

LB 40

same reasons that Senator DeCamp gave you and Senator Carsten. I think it is premature to advance this bill. LB 284 is hanging on the Board. We have other bills that need to be addressed simultaneously. Each will have its own particular bearing upon the other and very honestly I think that if this issue is resolved favorably with the City of Omaha it will be impossible to address the other issues on their own merits. I recognize the particular problem in which Omaha finds itself in. I want to remind members of this body, and some of you who were not here a number of years ago, that it was my vote that overruled the Governor's veto and gave Omaha the half-cent additional sales tax when they were so desperately in need. I did so at that time based upon the premise and the solemn promise that it would be just for a short period of time and then we would have our problems all worked out in Omaha and we would never come back to you again. It seems that that long and that forever has faded away and Omaha is back here again. I happened to read in the paper several days ago that even with the half-cent sales tax that the City of Omaha will be four million dollars short of meeting their anticipated needs. I don't think it is going to solve the problem to give Omaha an additional half-cent sales tax unless some other really major changes are brought about. I have discussed some of them with you from time to time. It has been discussed on this floor from time to time. I think that it is absolutely irresponsible for us to advance this bill, notwithstanding the fact that it may go, without addressing the entire tax issue. Any time that you have a one and a half percent tax assessed by the City of Omaha it greatly and dramatically impacts upon the taxes collected by the State of Nebraska. At the time that we originally discussed this issue, I pointed out that it would eventually erode away the sales tax base of the state. I reluctantly voted for the tax at that time because of the emergency in which Omaha found itself. Omaha seems to find itself in a perpetual state of emergency without the internal resolve to resolve that emergency. That was why on LB 524 I proposed an amendment which would have brought Omaha out of the sales tax business at the highest possible price. It would have placed them in a position of equality with every other city in the State of Nebraska and I think that was a fair amendment...way to go. That bill did not meet with the approval of the Revenue Committee. I think to advance this bill is to continue inequality of a type which you cannot possibly condone year after year. I ask that the bill not be advanced and that the amendment not be adopted.

2068