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why the City of Omaha has used a sales tax frankly is because the sales is its strongest tax source. You know we are a big sales community. That is where we make our money. We make our money on sales. We are also an income rich community. We are a property poor community. We have got twentysix percent of the state people and we have only got nineteen percent, though, in the state's assessed valuation of pro-That is our worst tax source, the property. perty. Our strongest, our strongest area, however, is in sales. In Omaha we generate thirty-one percent of the state's sales tax take, thirty-one percent of it. So as you can appreciate the sales revenues to our city is an important source of Now it seems to me that it makes a lot of sense wealth. for our city government to be able to take ... to tax its wealth, in effect, to finance city government and that is what our one and a half percent sales tax does, but to the extent that we are deprived of that revenue source, then we have to fall back literally on our very weakest tax source, property. As you know from things I have said on this floor in the past, we, in Douglas County, pay the highest property taxes in this state. Right now we are paying two and a half percent of actual value annually in property taxes and that is the highest rate in the state, and for us to be required to go above that point by virtue of our not being able to depend on a local option sales tax and having to go on the property tax basis frankly puts our homeowners and our commercial establishments and even our agricultural land, what little bit of it we have in Douglas County, in a bad fix and it is a bad sense of government and it is a bad thing for us to do. So I believe that we are quite wise in permitting the City of Omaha to continue to look to the sales tax as a major revenue source. Now that does not mean that the sales tax of the city has to be permanently in place. I see no reason why in the future years we cannot deal with some replacement tax options. We do have Senator Schmit's revenue sharing concept and Senator DeCamp is beginning to adopt some of the thoughts in that package and so are other folk adopting some of the thoughts in that package, but as long as we provide local government an opportunity for some local option tax, whether it would be through an earnings tax or some other tax that they themselves have full and complete control over, then maybe we can ultimately get to the position of replacing the sales tax. But basically that would be unwise at this time for the City of Omaha and I think it would be also unwise at the time for our overall economy simply because you and I need to tax investment and savings less and consumption more.

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