## April 8, 1981

The price must go up. Now that is the reverse of the way it works in the cattle feeding business and the grain producing business, everything else. But we are not going to address the problem with the bill proposed here today because it addresses it in the wrong way. You are setting up a new agency, bureaucracy. You are going to handle the money, an agency which has not demonstrated any ability to handle it in the past, is not going to do it now.

SPEAKER MARVEL: You have thirty seconds.

SENATOR SCHMIT: I would suggest there is a better way to do it and we ought to address it in a better equitable fashion at another time.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I really think the severance tax has not been adequately discussed because it is one source of taxation that we ought to use at a maximum. We pay the severance tax, a share of it, everytime we buy gas and oil of that severance tax that is levied in another state. It goes into the refinery. It eventually, is costed out but it is the tax that we can put on that doesn't go directly through to the consumer in this state, and as a state, when we give a very minimal severance tax. and we are asking for too small an increase in the severance tax here, if anything, we are asking for a tax that goes against that oil, goes into the refinery and is spread across the entire United States. I can't understand a state not making a maximum use of a tax that can be imposed largely on people outside the state, if we want to look out for Nebraskans, and it is high time we take some serious interest in approaching the energy solutions that we have available to us. Whether this bill is nerfect in solving the problems, at least we can step forward and move into it and correct any deficiencies we have in moving forward with the program in the following year. But to fail to move I think is inexcusable. To look at a severance tax as an undesirable tax from the standpoint of Nebraskans I think is very foolish. It is the tax that we can bass out across the United States because it is taking it against our oll that is going comingled into the refinery and spread across the entire United States. Certainly they cost the severance taxes of all states into the final product cost of the oil. That is true but we are paying those severance taxes from the other states, and if we don't put one on that is comparable, we are fools as Nebrackans and giving un lost revenues to this state and paying those for the other states. It is as simple as that and I would really arreal to the body to look at