

May 14, 1981

LB 3

PRESIDENT: The Chair recognizes Senator Wiitala.

CLERK: Senator, it is in your bill book, all right. It is printed separately. It is request #2392.

SENATOR WIITALA: Mr. President, colleagues of the Legislature, I know it is rather breaking the faith to add an amendment on a major bill on Final Reading but doing so, I would like to give you a little bit of the history. There were similar amendments that I offered on LB 3 when it appeared on Select File. I received my amendments from the billdrafter quite late and they were being offered just as the debate was terminating on LB 3 and it was prepared to go to a vote by the body. Before I gave my amendments to the Clerk I talked to Senator DeCamp who has worked with Senator Goodrich on LB 3 and he convinced me that in order to get LB 3 advanced off of Select File, that I should be willing to offer amendments on Final Reading. So I am asking this body today to refer LB 3 back to Select File for my specific amendment. Basically my amendment takes into consideration the residential user of utilities. As the body may know, the residential user is the only person who is not exempt from paying sales tax on utilities. Industry and agriculture and most of the... industry and commerce and most of the operations in the agricultural field are exempt from paying the sales tax on utilities and I feel that as long as LB 3 is addressing the supply side of economics by granting exemptions to industries for new capital purchases, that I feel that we should also address the demand side of the economic curve as far as the consumers of utilities and the consumers of the goods that industry and commerce produces. So I am asking this body to consider an amendment that was first conceived of eliminating the sales tax on utilities completely, realizing that the residential user is the only party that has been required to pay for it. Every other sector has been granted an exemption but realizing also that this would have a fiscal impact of 16 million dollars to the best of my estimation, I decided that probably in the best interest of the state, that we would be better off to go to a straight 1½% sales tax on utilities for all sectors. The fiscal impact of this amendment would be around \$2,500,000. I would like to remind the body though, when you consider my first amendment, which had a fiscal impact of \$16,000,000 you are talking about \$16,000,000 that had been paid by residential users of utilities and that it came out of their pockets and their household budgets. Very few bills have been introduced on this floor for debate that address the plight of the residential homeowner. Years ago in the 1950s when we could buy a barrel of oil for fifty cents, a thirty gallon barrel of oil for fifty cents to a dollar, the tax on utilities did