

utilities is actually more harmful than the sales tax on food because we do get a food sales tax credit. If we tax everybody it may have to raise...if we took it off completely it would have to raise the income tax. I don't know if Senator Wiitala gave you the figures of what the revenue would be on a 1½% for sales tax on utilities for everyone but I think when I was checking it last year it was about \$13 million. I really believe when you stop to consider that about \$16 million is paid by the homeowner and only the homeowner and if you go back into your district and talk to some of the people and they realize, and a lot of people don't. I think in Omaha and in my district they realize it now because I talk about it all the time, that the homeowner pays the sales tax where business does not. Now the farmer, if he has two meters, he would be exempt on the meter that is used for business at the present time and he would have to pay sales tax on his home. If you are renting a home and you are the landlord and you pay the utilities, then that home is exempt because renting a home where the landlord pays the utilities automatically exempts it because it is considered a business but if you rent the home and you pay the utilities yourself of course it is taxable. So, I am saying to you that it is a very unfair tax. The people, the homeowners are definitely always the last one to...(interruption)

PRESIDENT: One minute, Senator Labeledz.

SENATOR LABEDZ: ...thank you, the last ones to get any break. We have given several, several exemptions and breaks to the businesses of the State of Nebraska. I think it is time now that we think of the homeowner and exempt the sales tax on utilities either entirely or with a compromise of 1½% for everyone. Thank you.

PRESIDENT: The Chair recognizes Senator Goodrich.

SENATOR GOODRICH: Mr. President, members of the body, could I have the attention of the rural senators of this Legislature because I have got something I am sure you will be interested in. What this bill does is it takes, let's just take Lincoln and Omaha for example, the sales tax on utilities is 4½% in Omaha, 4% in Lincoln. That would reduce that sales tax to 1½%. Now the method of accomplishing this, and there is nothing wrong with that idea in my book except the method they are taking here to accomplish this and what they are doing is they are adding a 1½% sales tax on natural gas, coal, fuel oil, diesel fuel, tractor fuel, propane, gasohol, coke, nuclear fuel, butane and gasoline. In other words, first of all,