

farm meter and their house meter on the same meter pay the sales tax on the entire rural electric bill. I think a lot of people do not realize that. If you have your farm meter and your home meter on one and the same you pay the 1½% sales tax on the entire bill. Now if you have a separate meter for the farm and a separate meter for the house, interestingly you pay, in my area, a \$6.00 flat rate on the house and nothing on the farm but the majority of those operations are not split and as a result the farmer pays the 1½% sales tax. I think it points up again the importance of the Revenue Committee's responsibility during this forthcoming interim period. I think that the entire issue needs to be re-searched. I think there need to be some definite guidelines laid down and there need to be some parameters laid out that will provide some kind of equity. I know what Senator Labeledz refers to when she talks about those homes that are thirty, forty, fifty, sixty, seventy years old. I live in one and notwithstanding our best efforts, it is not easy to heat and the electricity bill is extensive. So I think that there needs to be some really deep consideration again. I have said it before. I have said it before the Revenue Committee and I say it now. When you look at the tax structure of the State of Nebraska you cannot do it one patch on the quilt at a time. It requires a major effort. The committee probably has the toughest responsibility of any committee of this body and I just hope that during the next period we will all give them the kind of cooperation we need so that we do not need to try to do this kind of piecemeal work on the floor. It is a tough job and I think that we need to look at it in the overall context as to how each individual exemption affects another. I think that Senator Labeledz, Senator Higgins, Senator Witala did us a service by bringing that amendment to our attention. I think we should consider it because a lot of rural people do not realize that they pay the sales tax on their entire farm operations.

PRESIDENT: Before we go to the next speaker, the Chair would like to introduce from Senator Lamb's district some 15 students, fifth through eighth grade and twelve adults from Westerville, Custer County, Nebraska, up here in the North balcony with Mrs. Beran, teacher. Welcome to your Unicameral. Stand up. The Chair recognizes Senator Labeledz. All right, the Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, as a member of the Revenue Committee who have heard the testimony regarding LB 3, I continue to be reminded of how