

less developed societies, maybe more primitive societies, have from time to time viewed the presence of evil in their midst. Oftentimes in less developed cultures when evil befell a family or evil befell the society such as the plague, economic disasters, crop failures and what have you, the way the society handled the presence of evil in its midst was to ascribe this economic disaster or these personal harms to witchcraft and so that society then began a general exorcism of the witchcraft in its midst and what the society would do is it would use its shamans and its chiefs and its medicine men and the like to search out whoever the witch was and to then destroy the witch, because if the witch were destroyed, economic disaster would no longer reign, personal harm would no longer occur and society could be made whole again. Now the reason I draw that analogy is because I heard, in effect, the same testimony regarding LB 3 but of course, we are not a primitive society nor are we a less developed society. We are a rational society. We had in our committee, a number of economic developers, industrial developers who came in and testified about the purposes behind LB 3 and I asked each of the persons who testified if they could assure me there would be any causal relationship between the grant of this sales tax exemption and the movement of industry into Nebraska or the expansion of existing industry in Nebraska and not one person, because they are honest people could give me that assurance. Not one person could say there was a cause and effect relationship. The most that could be said on behalf of the bill was that this bill would provide the economic and industrial developers an additional tool so that they could compete with other states for the location of industry here. But as Senator Wesely has pointed out, the American Commission on Intergovernmental Relations has shown through its studies that state after state after state is being whipsawed by industry after industry after industry to grant tax exemption after tax exemption under the guise, under the guise, of ensuring growth in that state of industry or movement to that state of industry. It is the equivalent, in my opinion, of trying to exorcise the demons. It is not dealing with hard core reality and what is reality in this area? Reality is that this bill at this juncture has a \$900,000 price tag for this fiscal year for the State of Nebraska and a 2.1 million dollar price tag for the next fiscal year for the State of Nebraska and according to the fiscal analyst, those figures are conservative. In addition this bill would have approximately an \$800,000 price tag to the City of Lincoln or to the City of Omaha through the lost sales tax revenues and approximately a \$250,000 price tag to the City of Lincoln year in and year out through the lost sales tax revenues. What we have very simply is another erosion of the state sales tax base under the guise of promoting industry but we have not been given one iota of assurance, not