

May 21, 1981

LB 561

SPEAKER MARVEL: Motion lost. Senator Wesely.

SENATOR WESELY: Mr. Speaker and members of the Legislature, I would like to reiterate a couple of points that I think Senator Koch and Beutler made that are very important. Number one, the key is the lid question that Senator Beutler raised, that it is important that if we are going to increase state aid it should come at a time we have a lid and I think that at this point it seems doubtful that we will repeal the lid this year. So this is a good time and a good moment to increase state aid and, thus, with a lid see that result in direct reductions of property taxes and I think that is what the people of this state want. Second, all Senator Koch talked about the last couple of years, this is my third year down here, and every year we have a state aid proposal that comes up, the Governor always vetoes it, and it sounds very good and everything sounds wonderful, and then we find our revenues are much greater than we projected, and even if we would have approved that state aid increase or even when we did approve the state aid increase, it didn't result in higher tax rates for the State of Nebraska. That has been the pattern. I don't know if it will be the pattern again this year but it seems as though every year at the end of the session we face the question of, are those projections accurate? Will they be reflective of the economy in the coming year? Will they be as bad as they sound or will they be better? In the last couple of years it has held true that what they say they are going to have in terms of revenue has always been less than what actually results. Now that may change and, of course, we're all optimistic about this year but I think it is quite clear that we have been able to increase state aid in the past without increasing state tax rates and I think that is something that may happen again this year. It is a pattern and it is one that I think will happen again. So I think that is a good point. I think it is also important to remember the fact that Governor Thone has decreased our income tax rates just this last fall by two percent. Now I showed up at the hearing and I opposed that move. I opposed reduction of the two percent in the income tax rate and I did that saying that you could reduce by one percent the tax rate and I supported that, but if you can stop from decreasing it that second tax rate point, you will be able to save enough money, you will be able to have money in the treasury so that when we meet this session this year we can do some things that we need to do in terms of property tax relief and in terms of the food sales tax credit, and I said at that time if you will just hold off, you will find it to your advantage and you will see in the next session that will be a very prudent move to make. Of course, they ignored my advice. I expected that and we are in the