

May 27, 1981

LB 12

\$35 million, and I say to you if the people of this state don't have any faith in the integrity of government, this is one of the reasons. They look in the paper one day and they see it is \$50 million worth of revenue, and four months later, government is telling them, no, it is only \$35 million revenue, and by the way, we are not increasing your credit. They have now switched to the Department of Revenue figures which have problems in and of themselves and I will let Senator Newell and others discuss those problems and I hope they will go into some detail but the two points that I wanted to make to you for openers are, one, all we are asking is a continuation program for the food sales tax credit, just keep up with inflation, and, two, don't let the administration hoodwink you by this switch in their use of statistics. The revenues by any fair measurement that we have ever accepted prior up until this time are \$50 million, and when you divide that by the population, it comes out to about \$32 per person, and those are the facts of the matter. Thank you.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President, members of the Legislature, I rise to support the override attempt of the Governor's veto of LB 12 and I would like to talk a little bit about not only the statistics that the Governor has provided in his budget message but also a little bit of the figures that various groups have provided, talk about some of the reasons why the Governor came up with his proposal, and then, basically, ask some questions as to whether or not the Governor is coming around on the food tax elimination. First of all, let me say that in the Revenue Committee when we heard LB 48 which is the elimination of sales tax on food, the opportunity to express and discuss and analyze various figures have always been there because there has never been a time when you couldn't find fifteen different estimates or at least six different estimates on what it would cost to eliminate sales tax on food or if it would cost anything. Now those figures do vary widely and I pointed those out in committee and I have on occasion argued some of the same things that the Governor argues in his veto message. Now I did it using some different data and, basically, said that there would be no cost to this state to eliminate sales tax on food if this data was correct. And the Department of Revenue said the data was not correct, the Department of Revenue said that I was woefully, clearly underestimating the amount of food that people purchase and the tax that they pay and, therefore, when I argued that it would not cost anything to eliminate sales tax on food, the Department of Revenue and