

February 19, 1982

LB 454

SPEAKER MARVEL: Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I suppose I should have offered my motion to hold the bill as it is in place rather than to have acquiesced to allowing Senator Newell to discuss his motion. Since I did not do so, I will speak against the motion to adopt the amendment that we adopt a 16 percent rate on the income tax. And I would suggest that we just hold the bill in place on Final Reading for a period of two weeks at which time we will have a better picture of what is going to really take place insofar as this Legislature is concerned in the area of expenditures and insofar as the picture is concerned in the way of revenue for the state. The state has no recourse and no resources except the income we receive from the profits on business and labor and the income taxes that we receive. As Senator Warner has pointed out, those are down. I would ask...I am not going to ask the question but I do not want to surrender my time to either of those two gentlemen who can use up the rest of it very rapidly, but suppose, Senator Warner and Senator Carsten, that we find the projection is down another 30 or 35 million dollars in the next two weeks' time, will we then raise the income tax rate to 18 or 19 percent to compensate for that? I would suggest that, as you have indicated, Senator Warner, the projections at this time are only in one direction insofar as income to the state is concerned and that is down. I would suggest also that the same is true from the standpoint of the income of the people of the state. It is only reflected here in the tax collection. Therefore, I would oppose vigorously the adoption of the Carsten-Warner amendment. I have advocated for many years a much broader approach to the revenue problems of the State of Nebraska, one which I believe can be addressed and will be addressed and should be addressed by this Legislature rather than the one shingle at a time approach which this amendment would be an extension of. I recognize Senator Warner's concern in his attempts to offer to this Legislature some method whereby he can balance revenues with expenditures. I recognize Senator Carsten has the toughest job of any Chairman of any committee on this floor, but I think that at this time we would be just as well off not...we would be better off not to adopt the Carsten-Warner amendment but to reject that amendment, allow the bill, LB 454, to remain in place on Final Reading. In a period of two weeks we will know where we stand at least a little bit better. I am afraid we will not be in any better financial picture.