March 16, 1982

SENATOR CLARK: Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Chairman, so we can move along, I call the question.

SENATOR CLARK: Does anyone want to talk against the kill motion? Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I think this is one of the most responsible resolutions that has come before this body. I think it is unfortunate it appears to be needed because the quicker the State Board of Equalization meets and adjusts the tax rates upward, the less radical the changes may have to be a few months from now. If we go along draining the treasury to a zero point and we continue to suffer, which everyone is agreed, a reduction in revenues from the current rates, we're going to have to move the rates even higher at a later date. This is a responsible resolution that demands we pay our way as we go, that we trigger the tax increases immediately right up front and, therefore, take away the threat that they may go even higher. It may save an extra percentage point of income tax later. I think the public in this state is entitled to a more stable tax rate and the quicker we move the more stable that tax rate will be. Even in the Governor's memo it is agreed by everyone that the rates will have to move to 17%. Now that also included an \$8 million shift out of the Highway Trust Fund which this Legislature will never let happen. I don't think many of you think that we are going to vote to shift \$8 million to cover the cost of the state patrol in here. Without that \$8 million it is going to be 18% tax rate and if we put off raising the rate now, later we're liable to shove it to 19 or 20. This is a resolution of responsible leadership in state government. No one likes to vote for a tax increase. None of us likes taxes but we must do what has to be done and set the tax rates to where we balance the budget. We are prohibited by Constitution from issuing warrants or going into debt in the State of Nebraska and I think no one can go with the idea that we can run short, fail to have the money to pay the state employees and run government on a responsible basis. I think the motion to indefinitely postpone this is totally irresponsible and that we should vote down the motion to indefinitely postpone and pass the resolution and show that the Legislature is a responsible body and that it seeks to pay its bills as we go along. Thank you.

SENATOR CLARK: Senator Lowell Johnson.

SEMATOR L. JOHNSON: Mr. President, I call for the question.

SENATOR CLARK: The question has been called for. Do I see five hands? I do. All those in favor of ceasing debate will