

Revenue Committee questioned all of the people that appeared before it, the League of Municipalities and everyone else was apprised that Senator Peterson was going to run this amendment. We all knew it was coming and that decision at least has been tentatively made. We did not make a discussion on second class cities, but the Revenue Committee was apprised of this and everyone at that hearing was apprised of this. The policy makes good sense at this point. We have had adequate discussion of the issues. I would suggest the body make a determination and show the leadership necessary to resolve this question.

SENATOR KAHLE: Senator Remmers.

SENATOR REMMERS: Senator Kahle, Senator Kahle and members of the Legislature, I support Senator Vickers amendment for several reasons. I'm opposed to expanding the sales tax. I think that we are pre-empting some of the revenue sources for the state down the road. My personal philosophy is that the state should have sole power to levy sales taxes. I think there is no way that you can distribute the sales tax on the basis that it is collected in a fair manner. For instance I will take a little village of Johnson as an extreme example. It wouldn't do that much good to put a sales tax on because the only person from Omaha that might stop there and spend any money would be somebody stopping for a cup of coffee. On the other hand, they turn around and spend a lot of money in the larger cities. Those are the extremes but the same thing applies all the way up and down the middle. This distinction between the first and second class cities, I know of two cities, one in my area, one of those cities is just under 5,000 and the other just over 5,000. You are going to give the one that is a few people over 5,000 the right to levy a sales tax but you are going to deny that to the city that is just slightly under the 5,000 population. I don't see any basic, any good reason for that. I believe that, I just want to take this time right now just to remind some people that a lot of them know that I have a philosophy that a local income tax is much fairer than a sales tax. A sales tax is a regressive tax. A local income tax could be distributed, the funds kept in the area where it is collected whether it is a county school district or a city. But, furthermore I do believe, the sales tax, we have to quit expanding it. I think the state is going to need this source of revenue. It is a regressive tax. If you are going to apply it to the Class I cities, why shouldn't those that have just a few number, just slightly smaller, not be able to apply it. I would urge you to support Senator Vickers amendment.