

March 29, 1982

LB 693

SENATOR NEWELL: Mr. President, members of the body, I rise to oppose LB 693 and I would urge this body not to advance LB 693. It is absolutely unnecessary. The Governor can do the same thing. I am basically making my arguments along the same lines as Senator Burrows spoke when he spoke in favor of LB 693. I don't think this requires the Governor to do anything. I don't think it requires the State Board of Equalization to do anything. You can't mandate by law people to be responsible. It is absolutely unnecessary. It is a waste of our time and I would urge this body to kill it, to not advance it. I certainly don't believe in it and I will at least understand that it is not going to do what we want it to do or what the proponents want it to do.

SENATOR CLARK: Senator Fowler.

SENATOR FOWLER: Mr. President, I support LB 693 and commend the Revenue Committee for bringing in a bill to limit the discretion of the Board of Equalization in this circumstance. It seems to me that based on the experience of the last year, and looking at when massive federal tax changes occurred, that in turn seriously impacted our own state revenue situation, that the State Tax Commissioner did not follow what seemed to be the guidance in the statute and that is to convene a meeting of the Board of Equalization to adjust rates upward. Now we have all heard that in six months somehow the public has now been educated that a tax increase and a tax rate increase are different things. It is unfortunate that those in power had to wait for what they perceived to be the education of the public before they would act to maintain the stability of the state revenue situation. I support 693 for the very reason that I supported killing the previous bill and that is that the current Board of Equalization has not really lived up to the discretion that has been given to them and that they have been basing their decisions, which should be more mathematical calculations, they have been basing their decisions on perceptions of the political mood and whether or not and who gets blamed when for a tax increase. Now perhaps as we pass the bills here this year changing the Board of Equalization's structure as we have every few years in tight economic times passed bills dealing with the Board of Equalization structure, we should ask ourselves whether or not this system works at all, that is whether or not the Board of Equalization is in fact the mechanism to be properly responsive to the changes in our economy and the changes in the federal tax law. But before we change the whole system, I think at the very least we should move in the direction of limiting the discretion of the Board, thereby enabling them to adjust our state tax