

April 7, 1982

LB 757

the minimal amount of taxes to be collected to cover the budget. Approved by this body, the system that we have is the one that enables that, and the alternative that is proposed by its very necessity would require substantially larger reserves, substantially more money taken away from the taxpayer in the system we have.

PRESIDENT: The Chair recognizes Senator Fowler.

SENATOR FOWLER: Mr. President, in the abstract, Senator Warner's statements are probably correct. The amendments that he has added do give the Board of Equalization more power to act in terms of responding to changes in the economy. It refines further the sales and income tax rate system that we have and therefore there would be no need for this Legislature to set rates in the abstract. In the world of political realities we find that Boards of Equalization don't want to set tax rates anyway and that even though there may have been limited options in the last year or in previous years for Boards of Equalizations to act, they tend to prefer calling special sessions of the Legislature. They tend to prefer other mechanisms so as to avoid the decisions that we ask that they take. Now I think that we cannot continue to design a system that looks good in the abstract and ignore the realities, and the reality is that the Board of Equalization doesn't really want the responsibility for setting tax rates. And I think that is clear because there are at least three individuals out in the rotunda, Don Leuenberger, Larry Bare and John Knight, who have been calling senators out and asking them, wouldn't you want to vote for this tax increase? Now I would assume that they are there not just because they like to be there. They look a little haggard, being out there last night and stuff. But they are there to ask us to assume a responsibility that lies instead with another body, and as often happens in political areas, there are even rumors of political deals being made so that we would be the ones to assume the responsibility for raising the sales tax. People...senators are kind of going around asking, well, what did they promise to sign for you? Or are they going to sign the Medicaid bill or maybe could we have the food sales tax repealed and returned for this? Or maybe...Senator Koch stood up on the floor and I appreciate his candor because he made it public, he said, I am not going to stick with this unless the state employees' salaries is signed. We have a little trading between the rotunda and the chamber here to make sure that the Board of Equalization doesn't have to have the responsibility that the law says that they do. Now I think that we would like to live in an ideal world where those types of political things don't happen, where a