

April 7, 1982

LB 757

credit would still go out and the state would receive the \$5 million additional revenues. In these hard times that ought to be some consideration from members of this body. Also, one of the other things that I would like to point out early on in this regard is that this bill takes 33 votes to pass on Final Reading with the emergency clause which is necessary...which is necessary if the sales tax provisions are to go into effect and be effective to help with the cash flow problem. I would hope that that would be a consideration for some members here who supported the sales tax increase when you think of your vote on putting this food tax elimination on. I would personally say that if the food tax was eliminated that I would look far more favorably towards LB 757 than I presently do. That should be a consideration I hope for some of the members of this body. Let me say that we have discussed many issues in regards to the elimination of the sales tax on food. We have just proposed under 757 that we increase one half a percent...one half cent the sales tax. We have not offered a credit, a credit of any provision under this to try to ameliorate the pain and suffering that will be caused on millions of Nebraskans. The arguments that Senator Johnson brought forth about the fact that many people are crossing the river in our various border towns to not only save the sales tax but also because they benefit from the credit. I think frankly the time has come in this Legislature that this state consider the fact that it is an agricultural state and that the sales tax is on the main product that we produce. Now, frankly, this is an issue of justice and equity and it is the time to do it. It is delayed until 1983, that will produce additional revenues and help us further out of this crisis. The issue has come before us on many occasions and this is the same proposal that has been kicked around on the Lincoln city sales tax bill, but this proposal does not increase...does not.....

PRESIDENT: One minute, Senator Newell. Would the Sergeant at Arms make sure that all unauthorized personnel leave the floor. We are under Call.

SENATOR NEWELL: This provision does provide a quarter percent for those cities that presently levy the tax and that quarter of a percent is to help them ameliorate the tax problem. I think this is a responsible, well thought out attempt to eliminate the sales tax on food which many Nebraskans have wailed against, been angry about, and it is proper and appropriate that we do it at the same time that we are raising the sales tax. I want to conclude by reminding this Legislature again that LB 757 would be a much stronger bill if we did what we know we are going to have to do eventually and that is to eliminate the sales tax on food. I urge your support for the amendment.

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