

this fund, then you need to amend the basic section of law in 77-2701 and not amend it in the section in LB 89 that Senator Schmit is proposing.

SENATOR CHAMBERS: Right, I think I see what you're dealing with now. I'd like to ask Senator Schmit a question. Senator Schmit, is it your intention to have the entire proceeds of the 1 percent increase go to these...be divided between these two that you've mentioned, or let a percentage go to the Highway Fund as the present 4 percent sales tax is divided up, or you know the cut that they get out of that?

SENATOR SCHMIT: It was my intention, Senator, to retain the present formula so that the 1 percent on the motor vehicles still goes to the Highway Fund.

SENATOR CHAMBERS: May I ask you, and you may have answered that, but I'm getting...I was looking at your amendment in the Journal and I kind of got lost on what was being said. Why should the Highway Trust Fund get any of this 1 percent since it's being put in this bill they call an education for excellence bill, or whatever that term is, and not designed to give anything to the highways?

SENATOR SCHMIT: Well, first of all, Senator, I had a bill in the Appropriations Committee to put \$20 million of the surplus General Fund money into the Highway Trust Fund because I felt we had to do that to bring the program up to speed. Secondly, I do not see any reason why we should not use the existing formula in this proposal, just as we have in the past...

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...I'd rather not tear it apart really.

SENATOR CHAMBERS: Thank you. Since I only have one minute, I'll make a couple of comments, since I can't do it all through questioning and answering. I am clear now on what Senator Warner's amendment attempts to do. I'm clear on what Senator Schmit's intent is, and I disagree with both of them. I have problems with LB 89, period. I'm against every, at this time, every increase in the sales tax because we all know it is regressive and it hits those who have low incomes the hardest, taking a greater percentage of their income than people who are better off. It is viewed by politicians as a secret, or hidden,