

distributed the same way that the present 4 percent state sales tax is distributed. That means a portion of it will go into the Highway Trust Fund. What this amendment that I'm offering will do is strip the Warner amendment from the Schmit amendment and the 1 percent will be used exclusively ..and I'm talking only about the 1 percent increase in Senator Schmit's amendment, will be used exclusively for what they are calling property tax relief and to fund the teachers' salaries. If we put the Highway Trust Fund issue into this, it is the injection of a new item, one that was not contemplated when LB 89 was offered and should not be brought in sub rosa through the Schmit amendment to raise the sales tax by 1 percent. Senator Hefner and others who want more money in the Highway Trust Fund have means at their disposal to try to do that. The bills that were discussed by Senator Warner and Senator Hall, as being before the Revenue Committee, can talk about taxing these vehicles and trailers and so forth for the purpose of putting money into the highway system. Here's what you are going to do. You are going to raise the sales tax on everything that is covered by the sales tax, which would include vehicles. If you adopt the 1 percent sales tax increase and then Senator Warner has a bill to add an additional sales tax increase to these vehicles, then aren't you putting a top-heavy burden on those vehicles? What is being done by the Legislature, I think, is not rational. It is not logical. I would like to ask Senator Schmit a question, if I may.

PRESIDENT: Senator Schmit, would you respond, please. Yes, he will.

SENATOR CHAMBERS: Okay.

SENATOR SCHMIT: Yes, Senator Chambers.

SENATOR CHAMBERS: Senator Schmit, when you offered your amendment to raise the sales tax 1 percent what was the primary purpose of doing that?

SENATOR SCHMIT: The primary purpose, Senator, was two-fold, although, as I have said at the time, I drafted that amendment rather hurriedly, did not have the detail in it relative to the Highway Trust Fund. But I had intended to try to provide some property tax relief by providing a method of funding that did not shift the load to property taxes some time in the future. Number two, it dedicated the source of money for the program to