

April 11, 1989

LB 739

SENATOR WITHEM: I would suggest that that is the alternative I will take. For that reason I am voting against this particular bill.

SPEAKER BARRETT: Thank you. An amendment on the desk.

CLERK: Mr. President, Senator McFarland would move to amend the bill. Senator, this is AM0819 printed on page 1096 of the Journal.

SPEAKER BARRETT: Senator McFarland, please.

SENATOR MCFARLAND: Thank you. I have been given a copy of my statement that I made two years ago when 773 was on Final Reading. I would like to read portions of it to you. Said, "Mr. Speaker and fellow senators, I would like to tell you a little story. Once upon a time there was an election and a lot of people claimed that they were not going...they were going to run on a ticket where they were not going to increase taxes, and those people were in the Legislature, the Governor's Office, and other areas, and then they got into office and they decided what seemed like a good idea in reality was not going to work because they realized that many of the people that supported them in their election wanted tax exemptions, and they also realized that there were some of their favorite projects that they wanted to have funded. So the Governor's Office and the Revenue Committee got together and they developed a little scheme or plan, that they decided to call this little scheme or plan a revenue neutral tax plan, and they decided to play a little hoax on the people of the state that they represented. They decided to say that it was revenue neutral, and at the same time that the effect was going to be an increase in taxes, and so what happened was that they passed a cigarette tax to increase taxes, they passed a tax on catalog sales that increased taxes, but they have said that this wasn't really a tax increase, that this was still revenue neutral. And then they decided that since the federal government was going to change taxes, that they would invent a bill, let's just call it LB 773, that it would be used as a mechanism to deceive and mislead the people of their state into believing it was not a tax increase when, in reality, it was a tax increase. It was going to be a tax increase upon the middle income and middle class people of this state and it was, in effect, what often happens with tax bills, the middle income, the middle class pay the taxes in order to support government programs. And they thought that this would be an interesting