

May 5, 1989

LB 84, 361

LR 2

therefore, it may well be that we fall upon hard times somewhere down the line. I don't blame some of the members for wanting to salvage something of this nature and I know that there is an almost desperate attempt, an almost desperate attempt to bring about property tax relief. One of my concerns is how when a few months ago we couldn't find \$50 million to be earmarked for property tax relief, all of a sudden we now have \$100 million. I am a little bit concerned and I think that I visited a little bit with some of the Appropriation Committee members about advancing this bill at this point without having passed the budget bills. It would seem to me it might be a little bit more cautiously optimistic on our part to pass the budget bills first and then pass this bill because, otherwise, we are going to isolate \$100 million. While I am on my feet, I want to...I may not get another chance, I want to express a couple of other concerns. We are, you know, giving...in order to give \$50 million back to the homeowner and the farmer, we are going to spend \$100 million. That is one of my concerns. Another one of my concerns is, as you all know, property taxes are deductible from the federal income tax so, in fact, although we are giving back \$100 million, about 15 or 20 million of that will go to the federal government in taxes so the homeowner will have a little less than the 100 million, I mean the property owner will have a little less than the 100 million and that is not of a lot of interest to me. Another point I want to make is that LB 84 sunsets in one year but, unfortunately, LB 361 goes on and on infinitum, and LB 361 is one of those bills which we know will raise the taxes on farm people by a minimum, we have been told, of \$50 million. Based upon recent information, it may be twice that, and I am going to be a little hard-pressed to explain to some of my farmers how they are benefiting from a \$25 million property tax relief bill while at the same time we pass a bill which raises their property taxes by 50 to 100 million dollars. Another point I think you should consider is in the midst of all of the confusion, the passage of this bill may have an adverse impact upon LR 2...

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...when it goes before the voters and that might be of some concern. Another point we should consider is if, in fact, we have this much money on hand and can afford it, are we overcollecting on sales taxes and income taxes and then should we consider whether or not we want to reduce those collections, rather than to run it through the mill of