

SENATOR SCHMIT: Mr. President and members, Senator Landis gave some good explanations as to why he's going to support the bill, and I agree with him as far as he went. I believe we should expand the base for the support of schools. It's my proposal that the expansion should be broad enough to include the intangibles, cash, CD's, et cetera. We're not going to do that. We actually only include about 15 percent of all the personal property taxes in the state. And so we exempt 85 percent of that property. The manner in which we use income tax to support schools is totally different from that which we use the sales tax. What difference does it make to me, if at the present time I pay \$100 to support the schools, 80 percent of it comes from property and 20 percent from other sources, as opposed to, under 1059, 70 percent comes from property and 30 percent comes from other sources, so long as I still pay the \$100? It's not going to make any difference at all. The basic premise is faulty, and I insist that it is faulty because it is more property based today than ever. It is more property based today than it was in the past, because you have attempted to bring in the income tax, but the ability to pay income tax is usually tied to the amount of property operate, own, et cetera. The people, I can tell you very bluntly, who work for the minimum wages in my district are not going to pay much income tax, nor should they. They absolutely can't afford it. So that's not going to be a factor. As you'll thumb through the explanation of those individuals and the various income classifications, there are 51 persons in Butler County who earn more than \$75,000, a very substantial tax base. We're going to hear a lot of talk about what we need to do for kids. But what are we doing for kids? I want to emphasize several points with this bill. First of all, the bill guarantees, I believe, the single largest sales and income tax increase in the history of this state, guarantees that. Secondly, there may or may not be property tax relief, depending upon local spending. And I just want to remind you that every time in the past we have tried to reduce property taxes we have, in fact, increased overall spending and the overall costs of government. And I give as an example the passage of LB 84, last session, which was supposed to reduce my taxes by 8.5 percent, but in the final analysis I had a tax increase between 20 and 21 percent, as did many persons in my district. I believe Senator Bernard-Stevens said that this isn't going to really address the real property tax problem. Well, ladies and gentlemen, if you don't do it here, then where will we? Because the bulk of our property taxes go to the support of schools.