

SENATOR MCFARLAND: ...where are they going to benefit from this tax bill? And it really is, a major portion of it, is a tax bill. They are not going to see any property tax relief whatsoever, and yet they are going to see, on the average, an increase of 17.5 percent in their state income tax, and they're going to see an increase of 25 percent in their sales tax when it goes from 4 cents to 5 cents. They do not benefit. And they are not an insignificant number of people, 32 percent of the people in our state rent property. And I don't think anyone is going to try and deceive us and say that their rental rates are going to go down, if this bill passes, because really they are not. They may go down, as I could see it, maybe years in advance. But for the first few years they're not going to see any rental reduction.

SPEAKER BARRETT: Time.

SENATOR MCFARLAND: It is not going to help those people and it is not going to help several others, and for that reason I plan to oppose the bill. Thank you.

SPEAKER BARRETT: Thank you. Senator Elmer, on the advancement of the bill.

SENATOR ELMER: Thank you, Mr. Speaker. Senator Schmit has brought up some questions of fairness of tax base, and I couldn't agree with him more on the disparity of land, as a measure of values, and the measure of stocks and bonds and intangibles as a measure of value. But, given the political reality we live in, business competition in the cities and between states has made the tax system in our state what it is. And I would say, and I feel very justified in saying so, that if you could take your land and assets that you have on a farm and put them in a briefcase, like you do your stocks and bonds, and take them to another state, that that farmland would not be taxed today. LB 1059 is not a tax decrease. The measure is the beginning of a tax shift from the unjust overdependence on property tax. Our tax burden per capita in Nebraska, as a whole, will not change very much. The inequity we now have is the tremendous disparity in tax base available per student between districts. Over a period of time the passage of 1059 and LB 259 will go a long way toward providing equal financial foundation for each student, no matter where in Nebraska she or he lives or in which school district he or she resides. I'm a firm believer in as much tax equity and fairness as we can