

estimated to take, at the time of its enactment, about 3.5 cents increase in fuel tax, actually it's come out a little bit less than that, but it also is projected that to fully meet the commitment of that road program throughout the state will require somewhere between 6 and 8 cents within about three years. And, obviously, if there is additional funds appropriated by the Legislature in 1991 and in part because of the sales tax on motor vehicles being increased and if the Legislature then wishes to also raise the fuel tax, a portion of that program no doubt could be accelerated, most certainly, it would be able to stay on target. As I recall the hearing on LB 832, there was, obviously, an opposition as there would be to any increase in tax, but, as I recall, the principal argument that was used was that the sales tax on motor vehicles ought not to be different than what the general sales tax is for other items. And, of course, if that was an argument that in part was a factor in the Revenue Committee, and I think they probably indefinitely postponed LB 832, but if, in fact, that was part of the argument that it ought to be uniform and not treated separately, the retention of LB 1059 as it currently is written is in keeping with that concept of being uniform. And then finally Senator Hefner indicated out of the Highway Trust Fund is the distribution to the cities and counties and, as he indicated, 46 2/3 percent of that additional revenue, in fact, is distributed to cities and counties for road purposes and the option, of course, with road...for the cities and counties is to use property tax. So if there is a consistency looked for in 1059 in roads...

PRESIDENT: One minute.

SENATOR WARNER: ...at cities and counties level, very obviously it ties in with the provisions of 1059 as having less reliance upon property tax even though in this case it would be for roads, but nevertheless it would be less impact on property tax to a relevantly small extent, admittedly, but nevertheless that would be a valid argument. There is no question that increase in the sales tax, obviously, will fall upon the higher, more expensive cars in terms of the dollars. The offset through June 30th of 1991 will be a reduction in the equal fuel tax that is paid no matter what kind of a vehicle you have and, obviously, if you have an older vehicle, the odds are its fuel consumption would be higher so it would be a benefit, it would seem to me, to the...to those who are driving older automobiles, less fuel efficient to not be paying about roughly the