

SPEAKER BARRETT: The Chair recognizes Senator Schimek, please.

SENATOR SCHIMEK: Mr. President and members of the body, I apologize for not having this on your desk sooner but I thought it would be in the Journal this morning. So you might want to go to the handout that you did receive just about 15 or 20 minutes ago. It's amendment 3057. Let me try to explain to you why I thought and I think probably...I'll let Don explain his own reasons, but why I thought that we needed to take a look at this kind of a concept. First of all, if you recall, several years ago we had a shift in our income tax formula and many people had complaints that their income taxes went up. Last year when we adopted LB 84, which was a property tax relief bill, there was no relief to the renters in this state at that point and I had some of my constituents come to me and say, first you raise our income taxes and then we're supposed to get tax relief but you give it only to homeowners and we're not getting any relief. Well, LB 1059 just exasperates that problem and increases again sales and income taxes and gives no relief to renters. Now some would say that for renters, in the long haul, they will see either a decline in their rents or their rents will not go up progressively as fast. That may be true. I had a gentleman tell me this weekend that, since his income taxes were going to go up, he was just going to raise the rent on his renters to help offset that. Now that's probably an exception. He may have even been just kiddingly threatening, but I am concerned. Many on the floor have talked about this problem. When we started investigating it, it really...I wanted to do it for all renters. That would be the ideal situation. We looked at several other states, among them Oregon and Kansas, and finally decided on the Kansas model since that's what LB 1059 is based on in the first place, is the Kansas relief bill. Political realities finally convinced me that we couldn't possibly cover all renters and so we decided to look at those at the bottom of the economic run. And if you will look at this bill, first of all, this kind of a program has been in place in Kansas for about 20 years and it costs Kansas about \$5 million to implement the program. It's a tax refund program. It goes directly back to the renter and it's limited to a maximum amount of refund of \$500. The average benefit is about \$175. The bill is targeted to low income families who are renters, people over 55 who are renters and people with disabilities who are renters. And these are the same ones that were targeted in Kansas. Mr. Speaker, I'm having trouble hearing myself.