

resource when it is extracted from the State of Nebraska. Ninety-three million acre feet of water fall in Nebraska annually. It's a rechargeable, renewable resource, one which can be utilized for the benefit of our taxpayers. There isn't any point in letting it go south or go west untaxed and then wish we had done so at a later time. As we look back today, when we look back at the exemptions on the tax on intangibles there are those that say, well, it's too bad we ever exempted the taxes on intangibles. But the facts are that at the time it made sense, it probably still does, but we ought to recognize that as the world changes and as demands change we ought to be in a position to take advantage of those resources which we have. And I would predict that a future Legislature many years from now will be looking at the same sort of revenue from the exportation of water that Wyoming receives today from the exportation of their minerals. And so I just throw that in there at this time because I think we ought to be open, we ought to be willing to listen to any kind of reasonable approach to the revenue problem and that certainly any idea, no matter how far-fetched it may seem, can be reasonable and under a different time and a different set of circumstances. Thank you, Madam President.

PRESIDENT MOUL: Thank you, Senator Schmit. Senator Morrissey. Senator Morrissey. Senator Hefner.

SENATOR HEFNER: Madam President and members of the Legislature, I rise to oppose this amendment. And this is unusual for me because I have always been an opponent of sales tax on services. But I feel that now the time has come that we need to expand our base and this is one way to do it. It may not be perfect but at least it's a start. It may not be enough but at least it's a start. And certainly South Dakota does have a sales tax on services. Iowa has a sales tax on services and I'm more familiar with Iowa but they raise a tremendous amount of money on their sales tax on services. But here in Nebraska, here in Nebraska we raise over 50 percent of our tax receipts for local and state government from property taxes and I feel that's just too much. When I first came to the Legislature, I think it was about 70 percent, and since then we have used more sales tax, sales and income tax and have appropriated back to local government to help reduce that property tax. And, eventually, I would like to see about a third and a third and a third, a third property tax, a third sales tax and a third state income tax for the support of state and local government. But I know it's