

February 24, 1992 LB 1120

ASSISTANT CLERK: Madam President, LB 1120 was considered by the body last week. The bill was introduced by Senators Hall and Moore. (Read title.) The bill had been heard by the Revenue Committee, was reported to General File with committee amendments. An amendment from Senator Hall had been adopted, Senator Kristensen, Senator Hillman. And when it was considered the last time we were considering an amendment by Senator Rod Johnson. This was AM3071.

PRESIDENT MOUL: Senator Johnson, would you like to bring us up to date?

SENATOR R. JOHNSON: I would be happy to, Madam President. Madam President, this amendment renews the discussion that we started on Friday which would replace the revenue in LB 1120 from the original plan that Senator Hall and the Revenue Committee put out to stripping that formula out and replacing it with a sales tax increase of one cent to offset the revenue losses that we would have as we repeal all personal property under 1120. I offered the plan because, as I stated on the floor at the time that I had been lobbied both for those in favor of 1120 and its funding sources, which I was uncomfortable with, and also because I was uncomfortable with the proposal coming out of the 3-R plan. And I felt that an alternative approach was necessary and decided at least to offer this idea to the body for consideration and debate. The reason I offered it, and I explained there were three reasons, the first was I felt that it was the most fair and equitable revenue generating plan that had been offered. It did not...or I guess I should say it treated everyone equally. There were no exemptions, no special classes picked out for taxation. It treats all Nebraskans the same way, in an equal, equitable way. Secondly, it's simple, it is not necessary for the State of Nebraska and this Legislature to create a whole new bureaucracy to implement and collect a new tax, whether it be under the 3-R plan or under LB 1120 as it originally came out of committee with setting up a sales tax on services plan. We collect the tax now. It's well established. People understand how it's collected and I think it would be the easiest tax of all the proposed to be collected. Third, I said it was constitutional. There's no question that sales tax has been in place for over 20 years in Nebraska. It's constitutional and we don't have to worry about the debate in front of the Supreme Court that the sales tax...an increase in the sales tax would be unconstitutional. Finally, I point out that it also raises the amount of revenue that we need to