

February 24, 1992 LB 1120

replace the loss of the personal property that we will be giving up if 1120 would pass. I was told by the fiscal office that we...if we increase the sales tax by one cent it would generate about \$124 million. That is about exactly what we need to basically supplement the funds to go back to the local governments to replace the losses that they're going to have under this repeal of personal property. Now you may argue you're not satisfied with the distribution formula but we can get to that later at some appropriate point. But, I guess, what I'm doing is identifying a taxing entity or source that is fair, reasonable, understandable, collectible and generates the necessary revenue that we need here in the State of Nebraska to cover the losses that we would encounter if we repealed all personal property. I guess, as I look at it, today is, quite frankly, the day we reach critical mass. It is a day when we need to decide which direction we're going to go. Either we go with repealing all personal property, as I'm suggesting we do here with the replacement of a one-cent sales increase or increase in sales tax, or Senator Moore's plan which is following mine which is a combination sales-income tax approach, or I suppose if that fails and 1120 fails, it's time to start talking 3-R and, in effect, ladies and gentlemen, if Senator Moore's plan or my plan is not adopted, then I think you just best be ready to go home and explain to your constituents that we're going to bring back personal property on the tax rolls. There is no question that if we fail today with either one of these two amendments, then we are headed clearly down the path of restoring certain items back on the personal property tax rolls.

PRESIDENT MOUL: One minute.

SENATOR R. JOHNSON: That's unacceptable to me. It is something, I think, that's unacceptable to a number of you in this body. We may not have been able to find the exact funding source to replace personal property. I'm giving you an opportunity to do that, but today is a critical day. It is the pivotal day in the debate of this issue because, I think, eventually we're going to get to a point where we're going to talk about which path that Senator Moore talked about earlier we're going to take, the 3-R plan or 1120 and repealing all personal property. My preference, as an individual senator on this floor, is to say to you, let's repeal all personal property, let's replace those lost revenues with a one-cent sales increase and see where we go from there. Now, I was home