

February 25, 1992 LB 1120

SPEAKER BAACK: Discussion. Senator Hefner.

SENATOR HEFNER: Mr. Speaker and members of the body, I rise to oppose this amendment. I still believe that all the sales tax proceeds from the sale of motor vehicles should go into the Highway Trust Fund because the need is very great to build highways, to build bridges, and to help local government out with their streets and with their roads. All you need to do is to drive out in the country this time of the year and see that some of these county roads are just about impossible to travel on, and they need more gravel, or they need hard surfacing. So the need is great and I don't know what this will raise a year, but a half a percent on motor vehicles raises quite a little money, and this goes into the Highway Trust Fund, and the Highway Trust Fund is divided up between the state, and the counties, and the municipalities. I certainly think that they need that money of the half a percent increase in sales tax, and so I would urge you, at this time, to oppose this amendment. Thank you.

SPEAKER BAACK: Thank you, Senator Hefner. Senator Will, you are next.

SENATOR WILL: Thank you, Mr. Speaker, members of the body. I rise to support the Hall amendment. I think that we have a history of increasing sales tax for specific purposes in the State of Nebraska and allowing the portion on motor vehicles to increase at the same time and then flow into the Highway Trust Fund, when almost without exception the reason for increasing the sales tax had absolutely nothing to do with the Highway Trust Fund. I think that we should do one of two things when we contemplate sales tax increases for general reasons or for specific reasons unrelated to highways, that is we should either make sure that that half cent increase, or whatever the increase being proposed is, flows into the General Fund or flows to the specific purpose for which the tax is being increased, or we should freeze the tax on motor vehicles until such time as we think we need additional sales tax revenues from the sale of motor vehicles to go to the Highway Trust Fund for highway needs. I think simply to increase the general sales tax rate and always allow that spillover into the Highway Trust Fund is a mistake. I think it would be wise to adopt the Hall amendment, make sure that doesn't in this instance. Thank you.