

least the first year, guarantee that the money will go back to the subdivision which lost it. So then it just becomes a state aid program to certain entities. We ought to continue our policy of trying to establish an equitable and fair base for taxation for the State of Nebraska and we ought to move away from property as that base of support. We ought not to go back and reverse our course and go back down that road which we abandoned back...

SENATOR CONWAY: One minute.

SENATOR SCHMIT: ...in 1967, which we continued to move away from in '71, which we moved farther away from in '77, and which we ought today to totally repudiate by the total elimination of the tax on personal property. There are many other arguments which will be argued on this floor. Some of them have been raised this morning, but those are peripheral arguments. We are arguing about the \$100 million. Where does that come from? That ought not to be the argument. The argument ought to be why are we spending a billion, five hundred and sixty million at the state level and another several billion dollars at the local level and why do we continue to escalate those expenditures time after time after time in the hope that we can satisfy everyone? It cannot be done. A million six hundred thousand people cannot support a four billion plus tax base, whether it be on property, income, sales or any other kind...

SENATOR CONWAY: Time.

SENATOR SCHMIT: ...of base. I suggest that we view the entire tax problem of the State of Nebraska and not look at it as just whether or not we need to raise another \$100 million.

SENATOR CONWAY: Thank you, Senator Schmit. Senator Hefner, you're next, please.

SENATOR HEFNER: Mr. President and members of the body, I realize that this is a complex issue. We have spent, I believe, four one-half days on this issue and still we haven't reached a consensus and it will probably take a lot more than another four days to do this. But now before us we have LB 1063 and a little later we'll have LB 1150. Both are tax bills. Both are personal property tax bills. But the problem that I have with LB 1063 is one section in there that talks about breeding livestock. We want to put personal property tax on breeding