

SENATOR WARNER: Mr. President and members of the Legislature, as I understood, Senator Johnson's request was an explanation at least of an amendment that a number of us have signed that is pending. And before I explain it, I want to repeat again what I...at least what I have said time and time again, I guess, and others as well. But, from my viewpoint, the worst possible thing that we can have happen to this state is to fail to get the Constitution amended and everything goes back on. And I am unwilling to push that to the point of occurring. So I'm willing to accept something less. The amendment that is passed out, it has, as has been indicated, and it's on your desk, it has the 80 percent refund to individuals who pay sales tax on farm equipment. The reason for it is two. One is consistent with the argument we have always used that equipment shall either pay sales tax and/or property tax, that one or the other would be paid. Now you can argue, well, you're not getting the full amount back and that would be correct, but it's broadly consistent with that. The second reason for doing refund is that you accomplish two checks. Before the refund is made, you are certain, because of the papers you would have to file, that that property is, in fact, on the depreciable property schedule at the county level, making it again simpler from an administrative standpoint. The reason for doing the 80 percent as well as the other items on here is to hold the General Fund harmless. Now it's my understanding, and it's impossible to deal with these issues without looking at the whole picture, but it's my understanding when we get to the budget we're going to be dealing with an absolute virtual 3 percent reserve, absolute minimum by law, 3.02, I was told. There isn't room for 14 million reduction in the General Fund, it's just that simple, without finding replacement revenue. Oh, yes, you can make several cuts in the budget yet this year to make up for it, but that's not the bill that I understand is coming to us from the Appropriations Committee. And so to hold that harmless and not create another issue, we have to have replacement. The replacement then includes the 80 percent which saves roughly 2.9 million to the General Fund. The sales tax collection fee which is at 25 percent of what it was previous to LB 829, and the way it would work it would be a 2.5 percent collection fee to the merchant on the first \$1,000 and 1 percent on all amounts above that. Currently, it's 3 percent on the first 5,000 and 1 percent above that. There is a reduction of aid only to counties in the terms of 3.5 million, but the way that would work is that the distribution of the full 17 million would be made on paper at the state level and then the amount of