

September 30, 1992 LB 11

have to. So what we're doing here is we're not taking tax dollars and cutting the budget, we're taking cigarette money and trying to cut the budget. I don't see this happening in any other phase of the budget cutting. It's just for the cities. Why didn't we take this cigarette tax money that's being used for other things and put it in the budget and cut, cut, cut? So I support, obviously, I support Senator Schellpeper's amendment. And I don't think Lincoln can lose 248,000 without raising taxes. I don't think Omaha can lose 434,000. So I ask these people, and the figures I read to support the Schellpeper amendment, we are taking a cut and that's good enough. Thank you, Mr. President.

SPEAKER BAACK: Thank you, Senator Haberman. Senator Ashford. Thank you, Senator Ashford. Senator Hall.

SENATOR HALL: Thank you, Mr. Speaker, members. I rise to oppose the Schellpeper amendment. I was one of those individuals who opposed MRF at its inception and I believe that it is an extension of the state's tax base to local government that we do not need to do. The fact that I think we go in and cut a portion of it now in LB 11 is only appropriate when we're dealing with the magnitude of the budget problem that we have in front of us. As Senator Moore pointed out, if you adopt this amendment you're looking at putting back in place \$5 million before lunch today in terms of dollars that we have to cut. Senator Warner pointed out that this is only the tip of the iceberg in terms of what we're going to be looking at come January. This proposal is an ante, if you will, for local subdivisions of government to say, yeah, you're part of this process. We give you the bulk of our budget that we raise and we do raise cigarette tax, Senator Haberman, that's part of the miscellaneous tax the state is responsible for. We also do sales and income, but what we're saying is we don't want to share that base any longer or we're at a minimum going to limit how we're going to share that with you. If you adopt Senator Schellpeper's amendment, I'm going to put up the motion to kill the bill because it is a sham at that point. It is no contribution in any way for local subdivision. Senator Beutler pointed out the percentage of budget and as this proposal in LB 11 and the others that in a very minor way affect local subdivisions of government amount to less than 1 percent, less than half of what we're cutting our own state agencies in an across-the-board measure through this special session. But we stand up and argue that we need to make sure that we've got