

November 9, 1992    LB 5  
                          LR 1

SPEAKER BAACK: While the Legislature is in session and capable of transacting business, I propose to sign and do sign LR 1. We will now proceed to LB 5 on the agenda.

CLERK: Mr. President, LB 5 was introduced by Senator Hefner. (Read title.) The bill was introduced on November 5 of this year, referred to Revenue Committee for public hearing. The bill was advanced to General File. I have no amendments pending at this time, Mr. President.

SPEAKER BAACK: Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I introduced LB 5. Public hearing was held last Friday, came out of committee on Saturday morning, and so we have it before us today. It was a difficult decision for me to make whether I should introduce this or not.

SPEAKER BAACK: (Gavel.) Please keep your conversations down.

SENATOR HEFNER: Thank you, Mr. Speaker. But I thought that we should have another bill out here along with the Governor's because a lot of the people in my area do not like the 2 percent depreciation surcharge, nor did they like the corporation fee, the \$150 corporation fee added onto the regular fees. And so this is why I introduced this bill, and what it does, LB 5 repeals the one-time, one-year only unconstitutional fees and charges enacted by LB 829 which we passed in 1981 (sic) and replaces them with increases in the state sales and income tax for one year, and this would be for calendar year '93; would increase the sales tax from 5 percent to 5 1/2 percent, and the state income tax base rate from 3.70 to 3.86, and then the taxes return to their current rate on January 1, 1984 (sic). But I believe this is being up front with the people. A lot of the people didn't know we had the 2 percent depreciation surcharge until they filled out their income tax. At least this would be up front and the people would know what type of taxes they are going to pay. You just had a revised estimate, a revised fiscal note put in your bill book, and according to that, we would raise approximately 63 million in sales tax, and approximately 34 million in state income tax. And the purpose of this bill, LB 5, is to spread the personal property tax burden across all the taxpayers, rather than dump the entire load on the backs of a few like LB 829 did. This bill, I hope, will correct that