

November 10, 1992 LB 1, 6

PRESIDENT MOUL: Thank you, Senator Will. Senator Warner.

SENATOR WARNER: Madam President, members of the Legislature, I'd rise to oppose the amendment. To briefly repeat probably what Senator Hall has already pointed out, obviously there is the revenue issue. But more significantly the tax provision in LB 1 is, in fact, a part of an income tax or an excise tax, I should say, which essentially is a tax on the privilege of being able to reduce your income tax by depreciation. Supplied by, uniformly at its rate, to all type of depreciable property as it is drafted, and in that sense it's unrelated to any other tax that is based on an ad valorem basis. This is more closely related, and in fact is only related to an excise or an income tax provision. And I believe it has no constitutional problem. And I'd urge the body to reject the amendment.

PRESIDENT MOUL: Thank you, Senator Warner. Senator Schmit, followed by Senator Hall.

SENATOR SCHMIT: Madam President, members, one of the problems on the floor that rural legislators are going to face with increasing frequency in years to come is the inability to put together the number of votes necessary to achieve the goals which they deem to be extremely important to them. One of the problems has been that when a problem which is almost strictly urban comes up that we have a tendency to tune out that problem. This is principally an urban problem, but it is a real one and it is a valid one. Cannot fault Senator Hall for including this tax because he is charged with the responsibility of raising \$100 million. At some point in time we have to decide if we are going to listen to the constituency out there which has told us consistently that they do not want new taxes. If we decide that we are not going to listen to that, then we are going to proceed along the course that has been set out for us with LB 1. If, on the other hand, we decide that we're going to listen to that constituency, then we will sooner or later proceed along the course which I outlined in LB 6 where I propose we hold the line on salaries, no new expenditures for capital construction, and no replacement of persons who quit working. That will bring into balance the budget which we all are going to try to balance come January 1st. I would suggest that those individual who have opposed LB 6, who say that we cannot possibly live without salary increases, have only one other alternative and that is to face substantial layoffs. And I think we will find that public