

November 11, 1992 LB 1

is now, as Senator Lamb has pointed out, that we still are in this position of increasing taxes \$100 million,...

PRESIDENT MOUL: One minute.

SENATOR SCHMIT: ...have a \$150 million shortfall and the property taxes continue to escalate. I talked to a lot of people in this city whose taxes on a rather modest home \$3,000, \$3,000. You take 3,000, 6,000, 9,000, 12,000 and go down the street and you wonder what do we do with all the money. I'm not going to vote for the bill either although, as I told the Governor last night, the reason...the most objectionable part of the bill is gone, because I objected most strenuously to the trap that was laid, and farmers jumped into it, when we took all of the taxes off personal property and then put them back on. I'll have more to say later on. Again, I want to say this, I appreciate the efforts that many of you have placed in trying to resolve the problem. I appreciate the sincere work that was done. The problem is almost beyond comprehension when you look at the total tax burden that we're facing and the limited resources with which we have to work. But I just want to say this, that I do not subscribe for one second to the editorial headline that says the reason the bill was needed was to help farmers. It was a devastating blow to farmers.

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

SENATOR WARNER: Madam President, members of the Legislature, just a few comments. Back over the few, last few months, first I want to say this is not LB 829, it's a totally different issue, totally different basis. Centrally assessed, the rate in LB 1 is the same rate that applies to everybody else. You want to make the comparison with 829, the comparison is zero, not 4 percent, by action of the U.S. Federal District Court, said we couldn't do it. The court did not reduce it to 2, they reduced it to zero, said it was unconstitutional...not...in violation, rather, of 4-R Act. So that issue should not be there either. LB 829, excuse me, LB 1 is an excise tax on the surcharge on depreciation. The argument that was discussed yesterday, somewhat on whether multistate corporations should be based on property or sales. The reason is sales is because that is the law. LB 772 was enacted, phased in, as you will recall, and sales is the basis for income tax, the basis on which depreciation is taken into account by the multistate. And the bill merely reflects what is state policy for the taxation of