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But I am recommending budget adjustments that total only about one-third of the amount requested. I recommend that most agency requests for new or increased funding not be considered at this midpoint in the biennium. Several agencies have asked for funding to negate the effect of my vetoes last session, vetoes you sustained for Fiscal Year '96-97. I urge you to reject those funding requests, to use caution and restraint in spending, and to make every effort to improve our cash reserve. The need for the state to continue to exercise fiscal restraint is obvious. And the need for local governments to exercise the same kind of restraint is just as clear--local spending increases are driving property taxes above our ability to pay. The challenge is how best to achieve property tax relief. The Local Control Taxpayer Relief Act I have proposed is a common-sense solution to our property tax problems. Others want to spell relief S-H-I-F-T. They want a shift. I spell it C-U-T. It is only with spending cuts that we can achieve true property tax relief. Local control is the key to this plan. If a subdivision wants to change its spending limits, it can do so with the approval of the governing board and the voters. This plan is both fair and realistic. It is not a constitutional change, which should be used only after all other options are first exhausted. It's not enough to ask how a property tax relief proposal will affect us individually. We must ask also how it will affect our families, our friends, our communities, and our state. I'll listen to those with concerns or suggestions on this issue. We must all keep an open mind and focus on finding a true property tax solution that will ensure that all taxpayers see relief, not just some. Capping local spending raises the question, "What about a cap on state spending as well?" Property taxes go to state...to local governments. Income taxes go to state government, and that is the most appropriate area for the state to cut. I am again proposing a personal income tax cut of \$35 million a year beginning with the 1997 tax year. This tax cut is made possible by our continued spending restraint at the state level and the growing economy of the state. Net tax receipts may be below projections, but tax revenues continue to increase. Nebraska's economy is sound, and taxpayers deserve to share directly in our economic prosperity. This income tax cut will result in an average reduction of nearly four percent for every Nebraska taxpayer. It will enhance our position in the highly competitive area of economic development. And it sends the right signal--we can return to...dollars to taxpayers rather