

February 14, 1996 LB 1050

SENATOR WITEK: Okay. Thank you.

PRESIDENT ROBAK: Thank you, Senator. Senator Bohlke. Senator Wickersham.

SENATOR WICKERSHAM: Thank you, Madam President. I'll try to be brief because I think, Senator Bohlke, through a series of questions, we're almost beginning to understand this issue. And if we all do, it'll be a shocker to some of us I think. But, at any rate, as I understand the proposal, and this is an improvement over what's in 1050, so I'll be voting for the amendment to the amendment, but I, like others, have had some concerns about what it does and who it affects primarily because of the provisions in subsection (3), and it causes the option payments to be distributed out of an income tax rebate fund that if we adopt the other proposals that are in the amendments to 1050, would be frozen at \$83 million. The point I think that is important is that that \$83 million goes both to equalization and to nonequalization schools and that for the equalization schools it's a wash, it doesn't affect anything, literally. The portion that goes to the nonequalization schools actually reduces property taxes. If we reduce the amount that goes to the nonequalization schools as we will through the provisions in subsection (3), we will in some manner be increasing property taxes in the nonequalization schools. Now I know that some people think that is a laudable objective, but I'm not sure that that was the full intent of the income tax rebate portion of 1059 when it was adopted. My understanding of the income tax rebate portion of 1059 was that it was an explicit attempt to create a new resource for schools, and that that resource was to be used, in fact, for property tax relief if that's what the district wanted to do with it, whether you were an equalization or a nonequalization district. It wasn't supposed to have made any difference. That was the basic concept, as I understand it, behind the income tax rebate. And I'm sure that we'll have a more complete discussion of the income tax rebate when we get to the next portion of the committee amendments, but I want to, for the record, at least on this amendment, also to note that this causes, even beyond the reductions that might occur if the body adopts the \$83 million proposal, some additional reduction in the rebate that would go to nonequalization schools, which in fact reduces the only kind of aid that they would be receiving from the state of Nebraska, can result in an increase in