

February 14, 1996 LB 1050

limitation on the income tax rebate rather than a fixed dollar amount going into the income tax rebate pool. Ah, I see people looking for LB 1030, it must be in there somewhere. The percentage, the percentage set in the amendment, is 26.7 percent, or 26.7. So that you could have the income tax rebate capped at 26.7 percent of the total funds appropriated to be disbursed under the income tax rebate provisions. That will be a reduction in the amounts that would otherwise be distributed. It is not as great a reduction as the \$83 million. It is still a reduction, it is not a fixed dollar amount, so it can grow in the future. Now, on your desks, and this you should have by now on your desks, is a printout, this was prepared by Mr. Bergquist from the Fiscal Office, it is captioned up "LB 1050 Options". One of the blocks says "Current Status", one says "Freeze Rebate 83.3 Million", one says "Freeze Rebate at 26.7 percent", and it allows you to see what the affects are, literally, of doing nothing, of the 83.3, and the proposal that would be presented in my amendment. Now, I believe, although I was not in the Legislature, that LB 1059 was presented to the people of the state of Nebraska with the idea that the income tax rebate was a resource, it was a resource that they could look to in addition to their local property taxes, it was a resource. And, as I indicated in remarks earlier, it was clear from the passage of 1059 at the start, that that additional resource was not to become subject to the equalization effort, that it was simply a new resource. I can only imagine that if we had indeed funded 1059 at the level that was stated as a statutory goal, 45 percent of the school spending, that we might not even be having this debate, because all schools would be much closer to being equalization districts. And if you distribute income tax rebate to an equalization district, and then on top of that you send them equalization aid, the effect is meaningless. It doesn't matter to anybody. And in fact I'm not so sure that this whole debate about the income tax rebate matters very much at all. Only about 11 percent of the income tax rebate is distributed to nonequalization schools, that's the only portion of it, in my mind, that is nonequalizing. Only about 11 percent of it goes to nonequalization schools. That's 11 percent of about 125 million. And then on top of that, if you calculate out those dollars and compare them to the total aid that we distribute, the portion of the income tax rebate going to nonequalization districts as a proportion of total aid is minuscule, it is a tempest in a teapot, for the most part. But the teapot is at a boil and we're probably going to do