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LB 881

SENATOR WICKERSHAM: Mr. President, members of the body, I'm glad that Senator Kristensen gave you a brief review of the Legislature's and past governors' efforts at property tax relief. I would add a couple of things to that. This property tax year is the first one since 1990-1991 that property taxes actually declined as a whole across the state of Nebraska, and that we had the lowest average levy across the state since 1980-81. That was not an insignificant achievement. Senator Kristensen detailed some of the ways in which that was accomplished. But there was one other component, I think, that Senator Kristensen left out, and that the Legislature and others have never properly taken credit for is that we achieved the reduction in property taxes that I described at the same time we cut, on a permanent basis, the state income tax, and we cut, on a temporary basis, the state sales tax. We got the state sales tax over a one-year period, cost about \$90 million. The income tax reductions are reducing state revenues at the magnitude of about \$155 million, \$160 million. That grows a little bit every year over time. So we cut all taxes at the same time we were significantly reducing property taxes through the mechanisms that Senator Kristensen described. We have been able, in fact, to reduce property taxes to a point where they are very close to one-third of the total support for state and local governments in this state, if you exclude the gasoline tax. That was, for many people, a long sought objective. Here it is, and nobody even seems to know if we got there. Maybe they will. The proposal that you have from the Revenue Committee, with regard to 881, is somewhat different than the bill that was submitted to the committee. The bill that was submitted to the committee called for the writing of checks on a delayed basis, and a somewhat larger amount of money to be eventually distributed. The committee amendment calls for the use of \$100 million over three years for property tax relief. But I would suggest to you that one of the major differences in the committee approach is that the property tax relief that you will see and that other taxpayers across the state of Nebraska will see will be on their December 1st tax notice, that it won't be a delayed kind of relief, that it will be an up-front kind of relief, it will be relief that they will see on their December 1st tax notice. And what kind of relief will they see on their December 1st tax notices over the next three years? For the next...for this immediate tax year, 1999, they will see an additional reduction