

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

May 21, 1999

LB 881

farmers who have larger amounts of property, or probably from businesses, centrally assessed businesses, who it will mean a large amount of money to them. But when we walk through the scenario with our constituents, to the typical homeowner, of the amount of property tax relief they're going to get, and at the same time, every time they go and purchase something, that they're going to be paying a half cent more in sales tax, which I'm not sure we've had much discussion about that, if you actually calculated that out and kept track, in the end, would you be netting out towards the positive or towards the negative on tax relief? I think for the average homeowner, you might come up with a negative. That would not, probably, be...and certainly, if you don't own property, you for sure do. But if we believe the forecast, that we're going to have some down times...and Senator Beutler...must have lost interest. (Laugh) If we're going to have those down times, why would I...what would I say to the constituents? You say, move it over so we...in the Cash Reserve, so we can use it, the rainy day fund, to fund the Governor's property tax relief in the out years.

SENATOR COORDSEN: Senator Beutler?

SENATOR BOHLKE: What do we say about...to those constituents who say, if we know that we're headed for bad times, rather than come back and raise our taxes again, why would you not put it in and let the minimum float up on the cash reserve?

SENATOR BEUTLER: Senator, I thank you for the dialogue. As I tried to indicate when I first spoke, I don't think we should be reducing the Cash Reserve. But honoring...but honoring the vote on first round, it looks like we intend to do that. And so I'm trying to think of ways to protect that Cash Reserve as much as possible in a real way, without frustrating the intent of what people want with this bill, without frustrating the real intent. I mean, I want to separate smoke and mirrors from real life, and in doing that, I want to protect the Reserve Fund as much as I can.

SENATOR COORDSEN: One minute.

SENATOR BEUTLER: So I would agree with you, if I'm understanding you correctly. I don't have a response to those