

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

January 12, 2000 LB 505

retirement programs, that people have used the tax code for a social policy to promote savings, and we are doing better as a nation on exactly that front. And what was the tool? The tax code. After World War II, when we had a returning army and families that were being reunited and the housing stock of this country was low, and we wanted to promote home ownership because, in fact, in the twenties and thirties, rental was the way that people normally lived their lives, we created a home mortgage deduction to take away the taxation of interest paid on home mortgages so that we could encourage a generation of home ownership, which is exactly what happened in the late forties and fifties and sixties, and reversed a nationwide trend from rental to residential property holding. Why? The tax code, used it as a social policy to create the kind of country we wanted--a country where people saved, where people owned their own homes, and where there are economic development; something that this body and the federal Congress have used repeatedly and which Senator Tyson tells us we can't do with respect to children's health, it's doomed to failure. In fact, it seems to me that the tax code has been a successful method of achieving social policies for social good. Therefore, I think the question is, is there social good to be achieved here, and will it be effective? If that's the case, we're on the strongest ground LB 505 has because the record is very clear. Let me ask for a Page so that we can pass out a list of recent changes by state...

PRESIDENT MAURSTAD: One minute.

SENATOR LANDIS: ...where there have been significant increases in tobacco taxation. They include the examples of California, Massachusetts, Oregon, Alaska, Maine, New Jersey, Arizona, Florida, Maryland, and New York, all of them doing significant increases, and by that I mean 25 cents or more, 25, 30, 37, 40, in the case of New York, recently, 55.5. In this list of sister states where they have taken the kind of step I am asking you to take, there is, for those states who have been at it long enough, a demonstrable record of change, of improvement, of either cessation programs and prevention or the tax increase reducing teen smoking, affecting a trendline that everywhere else is going up, and in Nebraska is going up.