

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

April 10, 2000 LB 1279

than what this retired couple has. We have looked at some of the income revenue streams that retirees have. We've looked at Social Security, we've looked at other pension plans, and there was discussion from Senator Hilgert on not including Social Security income into that formula for the purpose of figuring your exemption level for homestead exemption. But do you realize that we then, with people with outside income, investment income or other pension plans, investment plans, other money, they actually could be making \$40,000 and get 100 percent exemption on their property taxes if we were to exempt Social Security? Then we have to look at the fairness of other retirees who are not taking home Social Security. They are, in fact, taking home a pension from federal retirees, teacher retirees, and yet we're not exempting them. So I think we have to look at who is going to pay the bill. Senator Crosby is right. We do make up the money that we exempt at this level. We send it back from the state. We are going to have to pay that with income taxes and sales taxes. That single mom who is raising children is probably going to spend more on sales tax than that retired couple are because she's going to have more expenses, so she's going to bear the brunt many times if we have to increase things here, and yet she lives in the same home, type of home, the same comparable neighborhood, on perhaps much less income than, in fact, this retired couple is. I think we have to look at the fairness across the board and that's where my hang-up is on extending the exemption from where we're at. Thank you very much.

PRESIDENT MAURSTAD: ...Senator Redfield. On the motion to bracket LB 1279, Senator Hilgert.

SENATOR HILGERT: Thank you. I, for one, do not believe that people should work their whole lives, save their money, invest it, and when they get a return in their golden years, that money is to be paid to local governments for property taxes. That's...I'm sorry, but I beg to differ with Senator Redfield. That's not the reason people save for their retirement, to pay taxes. They pay...they save their money for retirement because you're going to have medical bills, you're going to have prescription medicines, you have illnesses as you get older and older. Some people may even think that after retirement you should be able to enjoy a few years, and that money should not