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FLOOR DEBATE

April 30, 2003 LB 285, 408

amount going from 5 to 5.5 percent tax on motor vehicles went into Cash Reserve. This particular bill right here shows that if LB 285 passes, that would continue, taking that half cent, between 5 and 5.5, to be taken on motor vehicles, that money would now go to the General Fund. If LB 1085...or, LB 285 does not pass, there will be an amendment to change. Because if LB 285 doesn't pass, that means we'd not go from 5 to 5.5 percent sales tax. That means a half cent, per this amendment, would be reduced funding for the road fund, because that money would now flow into the General Fund, and that would, by formula, demand that the variable sales tax on gasoline be raised to make up for that half cent loss between the 4.5 and the 5 cent sales tax. So I wanted to make that known, that if this bill passes today, that's what it does, but it would be contingent upon our intent, at least of the committee, that LB 285 would need to pass. And we presuppose that, extension of LB 1085, that that money would then...that that difference between 5 to 5.5 would then go to the General Fund. And in simple terms, that money now is not going to anybody. So it's not really a loss to anyone. It's money that they will not receive. However, if we drop from 5 to 4.5 percent on the sales tax in order to meet with the...stay with this statute, not only will it impact the variable gas tax, but cities and counties will also be affected in amount of money that they receive. So the harmless way to do it, if you want to call it that, will be to allow for 5 percent to 5.5 percent sales tax to continue. And the road fund that are presently being used, state, city, counties, will be held harmless, and only the amount of money that's generated from 5 to 5.5 on motor vehicles will flow into the General Fund. And that amounts to \$22.1 million. Compare that last year to the part year of 14.1, which we put in the Cash Reserve. It's the same frame, if you will, the same issue. But it's...we've done it a little differently this year. But I want to emphasize that I...most of us will work very hard if we do...if this passes and LB 1085 extension does not pass, there will be an effort to make it right by not getting into the Highway Trust Fund for...

SENATOR CUDABACK: One minute.

SENATOR WEHRBEIN: ...so as that it affects the variable gas