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FLOOR DEBATE

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LB 285

reduction goes from 3.4 percent of the tax to 1.7, they're essentially held harmless for their costs, but we get that money into the General Fund. We continue that. Section 3 makes the temporary sales tax increase permanent at 5.5, indefinitely. Section 4 makes permanent the temporary income tax increase enacted by LB 1085. The increase would be 2.2 percent of each of the four individual income brackets, and would be effective for all tax years beginning on or after January 1, 2004. Section 5 would amend Section 77-27,132 to provide that the sales tax attributable to any sales tax rate in excess of 5 percent that is levied on motor vehicles be deposited in the General Fund instead of the Highway Trust Fund. This change would be operative when the bill would be effective, October 1, 2003. Listen to that one again, because it relates to what we've done before. Up until now, I've simply been reciting a continuation of LB 1085. But this says that if we have a sales tax greater than 5 percent, the amount over 5 percent that's collected on the sale of cars will not go to the Highway Trust Fund, but that above 5 percent...and under our current tax setting, that would be .5 percent, a half percent...would go to the General Fund. This is essentially, in law, what the Appropriations Committee has done in their appropriations bill. Because they've done a transfer from the Highway Trust Fund of about exactly the same amount of money, about \$22 million. And what this does is it does that by law, and appropriately, it seems to me, as well. Section 6 amends 77-4008 to make the temporary increase in the tobacco products permanent. The tobacco products are the "noncigarette" tobacco items. My pipe tobacco went up because of this, and I think Denny Byars' "spitless" tobacco. I'm not sure. Anyway, tobacco products went up, and that makes this permanent as well. When we talk about LB 1085, there's a piece that's missing here, and that's because our base expansions are now in our code, and they do not appear in this bill, because they were not a temporary tax increase. Look, it's an embarrassment to us all to be here looking at temporary taxes and saying, you know, we're going to need to keep them in place. However, when you take a look at the effect of the almost...well, the over \$400 million of cuts that the Appropriations Committee has done, we've done serious work on the other side, we've done serious work on the cuts side. The total amount of money that this bill would generate