

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

May 8, 2003

LB 759

the end effect of that, because of restricted funds in our formula, means property taxes have to come down, have to, because the restricted funds says when one goes up, the other goes down. They can't spend more. So we can provide property tax relief. Now there's one other piece in here and that is roads and that is something that if you like this idea and you want to go there that we can make up in our appropriations process because, in fact, we can afford to do so because we are going to have some other bottom line pieces that are positive. Now one of the reasons that you see a difference on the roads bill, I have to explain to you, is because of trade-ins. Senator Chambers addressed that the other day. If you can afford to go out and purchase a brand new car and your old car is a whole year old, has high value, you're going to pay the sales tax only on the difference. But low-income people don't go out and buy new cars. They buy used cars and they pay 100 percent of the sales tax on that used car. Or if they save up for 10 or 15 years to buy that new car, they're going to trade in a car that's 10 or 15 years old and has no value, so they're still going to pay the bulk of the sales tax. We have a discriminatory system with our exemptions in our sales tax. So, because those dollars, those sales tax dollars, do go to the roads, there would be an impact on the roads, and we could adjust for it. There's room to do that. But the important thing is that we face the question this year. There will never be a better time, there will never be a bigger hole in our budget, when we can face the question of whether we want to create a tax code that is fair and equitable, or whether we want to just go with the status quo and just keep raising the rates...

SENATOR CUDABACK: One minute.

SENATOR REDFIELD: ...until they're sky high. Thank you. I think that's all I will address right now. I think there will be a lot of questions. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Redfield. Senator Brashear, on the Redfield amendment.

SENATOR BRASHEAR: Mr. President, members of the body, Senator