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Transcriber's Office
FLOOR DEBATE

May 13, 2003

LB 759

followed by Senators Beutler and Bourne. Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, in a different tax area, Nebraska has every reason to be proud, depending on your point of view. I happen to think we should be proud. It's in our income tax. Do you know what Nebraska asks of taxpayers who pay anywhere from zero to...who have zero to \$45,000 of adjusted gross income, for people who have what we would call moderate or low means, generally speaking? We ask less of those people than any state on our border. We tax at a lower rate and we have a higher number who pay no taxes than other people at our border. From \$45,000 to \$120,000 we start then catching up with some of those other states and passing them, so by the point of \$75,000 of adjusted gross income Nebraska is in the middle of the states of the Midwest. And then, when you get to \$120,000 of income, Nebraska asks the most of those taxpayers. In our income tax, which is highly progressive, by the surrounding states of the Midwest we ask least of the poor compared to our sister states, and we ask more of our rich, by the way, as it should be from my perspective. I think that's a gold star. Now, there are those who don't think it's a gold star. I happen to be one that does think this is a good thing. We've done that in our tax policy. But one of the things that we've done at the same time is to have a tax policy that essentially taxes goods, and when you tax goods but not services you affect a higher number of the transactions that the poor pays as opposed to the rich. In fact, it's true. I mean, there is a relationship here. One of the things that we know of is that the poor pay more of their income for goods than they do for services, and the rich pay more, relatively speaking, for services than they do of goods. By the way, one of the things that the poor do is they go without, they don't repair everything, and I have been modestly "meaned" in my life and I have certainly not repaired all the repairs that needed to happen on my car. When I got better off, I had more repairs done to my car. I drove around for years with a cracked rearview mirror because I didn't want to pay the 35 bucks to do that. Well, there came the time when I could and did afford that and had that replaced. Services have a tendency to be consumed at a greater percentage by the wealthy, not the poor. Nebraska has done relatively well on the income tax, but they