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LB 44

small, that being the state portion of the mortgage tax deduction, it's small but it has great leverage and I think serves the state of Nebraska...

SENATOR CUDABACK: One minute.

SENATOR SMITH: ...and ultimately the revenues of the state of Nebraska well. And for that reason I am not looking favorably on LB 44, but I will continue to listen to the debate. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Smith. Senator Landis. Senator Landis, you're recognized to speak. You may.

SENATOR LANDIS: Senator Cudaback, members of the Legislature, if you look at the committee statement, you'll see that I'm a yes vote on this bill. I think one of the recurring themes in Nebraska politics is property tax relief, and we don't have, from our other tax bases and our revenue generating machinery at the moment money to do property tax relief. Don't have it. Can't do it. Don't see the foreseeable time in the next couple of years when we can. We don't have those resources unless we divert them from someplace else and at this point in the budgeting process I don't see it. So, rather than reduce aid to community colleges or schools or the university and turn it into property tax relief, Senator Redfield gives us this alternative. We have an income tax break. It is not the driving income tax break. The reason that people buy homes is not because they get a state income tax break. They don't sit around getting out their state tax form and saying, is it time to buy a house for the family or not? They don't. They know they're going to get a significant federal income tax break and so, if there is a tax reason to buy a house that motivates them into the marketplace, the federal government's tax break did it. What Senator Redfield says is, look, there's a tax break. We've been giving it. It's a piggyback onto the already effective federal tax break. Why don't we take that tax forgiveness, if you will, and turn that into a different kind of tax forgiveness for people on property taxes because that is the one that in this state is more out of balance than the income tax? The income tax is highly progressive in this state. The income tax is certainly