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FLOOR DEBATE

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unintended consequence. As retirees, as they live on reduced incomes, they will still have mortgages to contend with. After selling a home in Richmond, Virginia, Buckey said he had the cash to pay for the home, but with a 30-year loan he could have low monthly payments and it offered flexibility and he would get a tax break. And there's just something wonderful about beating the government with a tax break. It is amazing what an incentive it is. But by taking out a 30-year mortgage, you're paying a lot more interest. You are getting a larger tax break, but it actually costs you more in the long run. It's not fiscally smart. My daughter said to me, she's a CPA and she said, why is it when I do everything to be fiscally smart our tax code punishes me? If I save money, they tax me on the interest I make. But if I pay down my loan, they take away part of the break that I get on the income tax. With every payment I make, I reduce my tax break; and if I pay off my loan, which is really smart, I lose it.

SENATOR CUDABACK: Thank you, Senator Redfield. Senator Stuthman.

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. I know I've probably consumed more time today than I have on any other bill so far in my short years that I've been here, but I have a real concern of this. And probably my biggest concern is I have come from the county government, come from property tax assessments, valuations. And I look at it as a lot of people, on the surface, want property tax relief, and rightfully so. But I think...I think we must remember where can you get property tax relief? Your property tax is assessed locally, is paid locally, and it is kept locally in the subdivisions. What we're trying and attempting to do here, to me, is that we're trying to do something on the state level to give a property tax relief. The only way that you can have property tax relief is if you increase the valuations by new valuations of a community, and by new valuations I mean additional homes built in the community where people have bought and put up a new home, and that increases the valuation of your community. Maybe you get, you know, hundreds or millions of dollars of new valuations. I know in the county that I came from we generated \$50 million of new valuation in that county.