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

January 12, 2006

families. I recognize that you will be under tremendous pressure to pursue additional spending, but I'm here today to make the case for tax relief and spending restraint. We must separate what we'd like to do from what we need to do. And clearly, now is the time for tax relief. The question at hand is not whether we should provide tax relief, but only a question of what kind of tax relief we should provide. The package I'm proposing is designed to provide more than \$420 million in significant relief over the next three fiscal years. proposal has three important components: income, sales, property tax relief. People would pay approximately 3 percent less in income taxes across the board. That's \$50 million a I want to express my gratitude to Senator Pam Redfield, who has agreed to carry the income tax portion of my proposal during her final legislative session. We all know what is at stake. For Nebraska to continue growing, our state must continue to improve its tax climate for individuals and businesses. We must be willing, in this globally competitive environment, to adjust to new circumstances quickly and intelligently. The next component of my proposal would eliminate the sales tax on construction labor that penalizes individuals and entrepreneurs for improving their homes and businesses. I am grateful and gratified that my own state senator, Senator Ray Janssen, has agreed to carry this The third component is sponsored by Senator Pat initiative. Bourne and would accelerate the property tax relief originally planned for 2009 by investing more than \$170 million in state aid to schools and lowering the levy lid two years ahead of schedule. That represents meaningful and sustainable relief. My goal is simple: to keep Nebraska growing, to make our state an even better place to live, to work and to raise a family. While I am partial to my proposal, I am open to any and all meaningful and sustainable ideas for individual tax relief. That is why I was so pleased when Senator Dave Landis offered his own plan, and a host of others have come forward with additional ideas. When state government is talking tax relief, that's good news for all taxpayers. This session is also unique for the challenges that we must confront. We need to determine the best solution in the fight to protect our children from those who would seek to do them harm by having a statewide conversation about how we can protect our families from sexual