

May 5, 1989

LB 84
LR 127, 128

CLERK: Mr. President, two study resolutions, LR 127 by Senator Conway regarding the state highway system, and LR 128, interim study regarding veterans affairs. Both of those will be referred to the Reference Committee. (See pages 2135-37 of the Legislative Journal.)

Mr. President, Senator Wesely would move to return the bill. (Wesely AM1706 is on page 2138 of the Legislative Journal.)

PRESIDENT: Senator Wesely, please.

SENATOR WESELY: Thank you, Mr. President, members. This amendment would provide approximately \$230 to all citizens in the state with an adjusted gross income of less than \$40,000. This would be a one-time income tax rebate. Again, another piece of legislation I introduced would have provided a tax rebate, that was in the Revenue Committee. It again recognizes where some of this money came from. About \$70 million of the surplus that we have is estimated, I believe, to be accumulated from the income tax increase that occurred with 773. If we're going to return taxes to the taxpayers the way to return it to those that paid it in would be through an income tax rebate. Again, the average tax relief envisioned in LB 84 is about \$130 to each homeowner. This would provide \$230 tax relief to homeowners families, and it would also provide it to those rental families that constitute 32 percent of our population. Again, this would help all people, all income taxpayers, not just those that are property owners. And the fact that 32 percent of the people are renters, and the fact is many times they simply don't have the income ability to meet some of the taxes, they do pay...property taxes are reflected in rental rates. This is one way to provide relief to these people, it's a fairer way to go, and I think again targets the middle income. I'm speaking out in concern about the middle income for a lot of reasons. I think we've shifted taxes onto the middle income and then shifted tax relief to the high income. There is a study that came out by Robert Wright that was recently in the New Republic, and I quote, "Between 1978 and 1987, the poorest fifth of American families became 8 percent poorer and the richest fifth became 13 percent richer. In recent years working Americans have been traveling on two escalators, one going up and the other going down." This is exactly the feeling that I have, that we've, in this state and this country over the last 10 years, for the wealthiest among us they have had some