

May 15, 1975

live in the urban area but combines cost \$30,000 per each now, and that tractors cost \$20,000 per each, and if it is your concern of the welfare of your constituents, if you live in the rural areas, consider very carefully the possibility of a sales tax increase. It is just as important in your area that you consider this because you have huge investments to make and you don't always have an assurance of any individual income tax to be paid. So when this is brought up in reference to the problem of you people in Omaha, and it was quoted to me after the vote was taken, this is for labor. There is no labor connected in this bill at all because labor buys an automobile, a little furniture and their house but those of you in the rural area consider the possibilities of the inflated prices on machinery, on those items that you have. So this is a balanced affair. It is not subject to the dictates of the wishes and wants of Omaha. I appreciate their support but I sure would welcome the support of the rural people who recognize this as an important issue. This is an issue which should have been settled years ago. It was not because, as I indicated earlier, we were happy to get a 50-50 balance at that time and it was not completely carried out but this is serious and that we do vote according to the presiding officer's directions of what issue is before us and that we recon--- we have reconsidered our actions, but vote in the right way for this important matter.

PRESIDENT: Senator Stoney.

SENATOR STONEY: Mr. President, members of the Legislature, a question of Senator Carsten, please.

SENATOR CARSTEN: Yes.

SENATOR STONEY: Senator Carsten, I have before me a layout produced by the Department of Revenue Research office that has broken down by state income tax, percentages 10, 11, 12 and 13. At the 12% rate, the revised total General Fund revenues is approximated 361 million dollars. It was my understanding that with the appropriations bills that have been passed to date and what we anticipate in the way of state aid and what else might be coming along that this figure at the 12% rate would not require an increase in the sales tax in excess of the 2 1/2% that we have statewide and the 3 1/2 that we have in the communities of Bellevue, Omaha and Lincoln, is this correct?

SENATOR CARSTEN: At this point, I would say, from the information that I have, Senator Stoney, that it is on a very close breaking point but I am told that, with reasonable assurance, that it is defendable.

SENATOR STONEY: At least, through year 1975 to January 1, 1976?

SENATOR CARSTEN: That's my understanding, Senator Stoney, yes. It is close but they believe that it is defendable.

SENATOR STONEY: Thank you. A question of Senator Cavanaugh, if he will yield, please. Senator Cavanaugh, I am sure that you heard the question that I asked Senator Carsten and his reply.