

March 8, 1983

LB 169

CLERK: Mr. President, LB 169 was a bill introduced by Senators Newell and Kilgarin. (Read.) The bill was read on January 12 of this year, Mr. President. At that time it was referred to the Revenue Committee. The bill was advanced to General File. I do have Revenue Committee amendments pending.

PRESIDENT: Senator Carsten, do you wish to take up the Revenue Committee amendments to LB 169?

SENATOR CARSTEN: Mr. President and members of the Legislature, I would move for the adoption of the committee amendment first, Mr. President. The committee amendment is a very little simple amendment. All it does is to require the Governor to recommend the tax rate as part of the Governor's budget. Under the current law the Governor is required to state the estimated revenue when he presents his budget but does not specify any tax rates. The committee believes that in compliance or in concurring with the proposal that he makes in his budget message with the revenue estimate that it should also include a recommendation for the rate. It is just as simple and straightforward as that and I would move for the adoption of that committee amendment.

PRESIDENT: The motion is for the adoption of the committee amendments? Is there further discussion? If not, all those in favor of the committee amendments vote aye, opposed vote no. The motion is the adoption of the committee amendments to LB 169. Please record your vote. Have you all voted? The Clerk will record.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of committee amendments.

PRESIDENT: The committee amendments are adopted. You have read the title again, haven't you, Mr. Clerk? Senator Kilgarin, this is your day. Senator Newell will speak and the Chair recognizes you for ten minutes, Senator Newell.

SENATOR NEWELL: I will not be speaking ten minutes. I would like to explain LB 169 and the reasons that it is before the Legislature today. LB 169 is a proposal, a very simple proposal that says that the Legislature and the Governor shall set the tax rates. Now as most of you know, present process is to have the State Board of Equalization meet a couple times during the year or more if that is necessary and as a mechanical process, theoretically that is, set the tax rates. It is my contention and I think this body is well aware that the theory behind this system which is a unique system, we are the only state in the union that has it, doesn't work either in practice and it is not all that sound a theory either. The truth of the matter is that it has never been in total or completely a mechanical process. The Nebraska Legislature is the only state that does not set the tax rates and this proposal would have them do that. It is that simple. Now the