

SENATOR CLARK: Senator Labeledz. This will be the last speaker. I have got four more. We will quit.

SENATOR LABEDZ: Thank you very much. LB 363 is a bill that is long overdue. As an employee of the Department of Revenue for seven years when the sales tax first went into effect, I know there are several abuses on the food sales tax credit and I would like to give you a sample of a couple. A student that is a full time student and possibly earning income can file and must file a state return in order to receive back their withholding. What happens in that case the full time student is also a dependent of the parents, and it happened in my family and I know this happens many, many times and it is very difficult for anybody to check on it, the parent will be allowed to claim the full time student as a dependent and then the student will file a return also because he or she will have some withholding to be refunded to them. Unbeknownst to the parents the child or the student may file for a food sales tax credit and at the same time the parents because they also claim the full time student will claim the \$28 for each member of their family even though two or three of them might be full time students. In that case the state is reimbursing a food sales tax credit of \$56. When I was working there I think the food sales tax credit started out being \$7 per person and in the many years since 1967 it has been raised, so there is several others, for instance, the elderly that live in nursing homes or high rises and have their meals provided should not be able to file for their food sales tax credit but because they don't understand they sometimes do and receive that \$28 food sales tax credit. I believe that the food, a right...a human right for every human being in the State of Nebraska, and when I see sales tax charged on food or utilities which I believe are necessities of life, then we, as legislators, should stop and think of what we are doing to people that actually can't afford it. And I look back in the past year to the long lines in Omaha of people that will stand in cold weather outside of a building just to receive 5 pounds of cheese. The sales tax on their food whether coming from their social security check or welfare check does irreparable harm to the amount of food that they are able to purchase, and especially the elderly, as Senator Chambers says, that are on fixed income. There are increasing numbers of citizens including many children that face the reality of hunger and malnutrition because of the high food prices and poverty and certainly because of unemployment. Our unemployment the highest we can receive now at this point is \$106 a week and it is very