

May 12, 1983

LB 363

Legislature, I urge your adoption of my amendment to LB 363. This amendment provides the provisions of LB 363 shall become operative on January 1, 1985. There are two major reasons why the food sales tax repeal should be delayed until that date. First, let me say that I have been a consistent supporter of repealing the food sales tax. As many of you know I am a cosponsor with Senator Morehead of LR 15 CA, a measure which would have placed the issue of the food sales tax on the ballot. However, I cannot support a bill which proposes to steal \$30 million from the taxpayers of the State of Nebraska. Although I may agree the current credit is not adequate and it discriminates against the poor and the elderly and the uninformed do not file returns, the credit at least reimburses our taxpayers for the food sales tax which they have paid. To repeal this credit after our citizens have paid the food sales tax for the nine months of the year and to pocket the windfall for the benefit of the budget is absolutely the most regressive tax policy that I have seen in years, in the seven years that I have been in the Legislature. I do not disagree that the university deserves adequate funding and I support pay raises for our fine state employees but I do not believe in robbing the poor and the elderly and all the other Nebraskans in order to fund these budget additions. This Legislature should not play Robin Hood in reverse. If we increase the funding for the university and the state employees let's do it honestly through the appropriations process. My amendment calls for the repeal of the food sales tax after the 1984 tax year. This will allow our citizens to collect the credit for 1983 and 1984 and it will allow the cities to make the budgetary changes that are necessary to reflect their reduction in the sales tax receipts. The January 1, 1985, date will merely allow them time that they will need to make changes in their budgets and at the same time give the tax credit to the taxpayers of Nebraska. I believe what we are trying to do here today with LB 363 as it stands now is dishonest and I, for one, will have no part of it. If this amendment does not pass I will vote against LB 363. In this session we have already taken away the general homestead exemption. A lot of the taxpayers that I have talked to do not realize that this has happened. The bill was advanced and it was signed by the Governor and we have taken away the general homestead that everybody that lives in their own home would have received next year. I would hope that we would not also take away the food sales tax credit which I think they deserve. We intend to use that credit to finance the budget, to increase the budget and I will vote for the budget, LB 628 today, and take my chances as to what the Governor will do with the budget. I urge you to adopt this amendment to LB 363 and join me in proving to the taxpayers that we are not dishonest and will take their money away as we did the homestead exemp-

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