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LB 397, 759

5.3 percent. We have built a tax code on a contracting base, and if we want to escape raising rates over and over and over again on our sales tax rate, our income tax rate, our property tax rates, then we have to do something about it. And I'm not one to shirk my duty, so I introduced LB 397. I also passed out to you the fiscal note and I hope it gets your attention because there's \$200 million here. We're not talking about a little bit of change. Now what is LB 397? LB 397 is a sales tax on everything except food and medical expenses, basics of life, everything. It doesn't discriminate. And it's tough. I mean how did a nice girl like me, who doesn't like tax increases, get here? And I asked myself, as I looked through those exemptions, and I could make a good case for why some of them exist, but I could make a good case for why some of them don't exist on businesses that we currently tax. But you see, I wasn't just looking at this from the standpoint of how can I maximize the income to the state. I was saying, how can I make our tax code fair? How can I make our tax code simple to implement and administer? How can I make our tax code easy for the public to understand? How can I make the tax code a place where our citizens look at it and say, why did you pick on me, why didn't you pick on the other guy? Rolling stock, yes, Senator Chambers, it's in here. Creighton University, yes, it's in here. It's all in here, everything but food and medical expenses. Now if the committee statement was on your machine, and it's not, it would tell you that there was a parade of lobbyists who came in to testify against this bill. They did. They all said, not me; I haven't been hit yet, not me. Now, remember, it isn't really them that's hit. It's the person purchasing the good or the service that pays the tax, and that's the person I'm always worried about and so there's an essential element in LB 397 and you'll find it in AM1644 on the first page, lines 21 and 22. Instead of taxing at 5.5 percent, we lower the rate to 2.8 percent. Now what does that do for the consumer? Well, I passed out a third document to you and this was provided to me by a service actually that we're looking at taxing under LB 759, as it currently exists. They came out and they measured my home and they said, what would it take to put siding on your home, what would the sales tax be, what would the materials cost, what would the labor cost, and that piece is here before you and you'll see that the labor would render a