

money under LB772. I can give you an instance in which I'm involved in. A business that has a real high real estate investment per income. That business will gain when LB772 goes into effect and I'm also involved in a business that has a high income versus the real estate investment and that business will lose under LB772. This brings me out even. It'll bring Nebraska out even and it'll put the kids in Nebraska and the teaching industry in Nebraska ahead. Let's support LB772.

PRESIDENT: Senator Burbach.

SENATOR BURBACH: Well, Mr. President and members of the Legislature. It's very interesting to listen to much of the debate we've had here this afternoon and one of the things that I gather and not necessarily on floor debate but in debate from the sidelines here. And the concern of 4½% sales tax in Omaha and in Lincoln, let's analyze that just a moment. The state sales tax is 2½% and whatever this would raise, it would be 1%, it would make it 3½%. And that is the current rate for Lincoln and Omaha and this Body including myself voted to give that permission, that right to those cities to levy additional 1% tax and I know that my vote was wrong. And I feel that the majority of the other members of the Legislature casted a wrong vote at that time. Because it is the property tax that should be left to the local political sub-divisions and the sales and income tax retained by the state, for those things which become a state obligation. But why did the cities of Lincoln and Omaha adopt a 1% sales tax. They did this themselves and free willingly adopted this because they wanted property tax relief and there can be no question in my mind but they achieved property tax relief. And therefore I don't believe in my mind that 4½% should be the obstacle in the course here for those cities to say we can't stand 4½%. This is property tax relief and that 1% was considered as property tax relief. This was the discussion held by the various city councils at that time. Now, if someone had said property tax relief is important and it certainly is, but also the children of the state are very important to all of us. Senator Kelly and Senator Duis explained this very nicely and I think this is one of the other reasons or responsibilities we also have. Now, Senator Whitney mentioned that there are those who pay probably no sales tax.....

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(Begin Belt 8A)

in this state and this may be true in a very few isolated cases. But they do pay the income tax and the burden then would fall on those people who are less able to pay that sales and income tax. But I can assure you that in the local communities, I cannot speak for Omaha with organized labor if this is taken into consideration, and yet I think the cost of living by a sales or income tax is taken into consideration in setting those wage rates. I do know that in my own personal operation when we do have an increase in the sales or income tax rates and the burden falls and I have a certain advantage. But I also consider this at the time when we arrive at a pay raise for my employees. I offer this before I am asked for that pay raise. So I think that