

April 8, 1974

that when we...every projection that I have used on the increase in either sales or income tax for the LB772 has been a net figure of present collections. And if you're using that figure, then the present reduction in revenue because of existing food credit is already taken into account. And actually to reflect only the tax on food by increasing the food credit should not have any effect upon the estimated sales income tax rates that have been generally publicized.

PRESIDENT: Well. Senator Syas. Excuse me, Senator Cavanaugh, back to you.

SENATOR CAVANAUGH: I still don't see how anybody can say that you're...either we're going to reduce the state aid or we're not. Now if we're going to reduce the state aid by the amount of this exemption, then that would be fine. And that is a tax break. If we're going to increase taxes to cover the amount of this exemption, then you're playing a shell game. You're cheating the taxpayer. You're fooling him again. And as I understand Senator Warner, that's the intent of this, is to increase the taxes to cover the need for the appropriation for the state aid. Which means you're not giving anyone a tax break at all.

PRESIDENT: Okay, Senator Syas, we're debating now the Burbach amendment to the Marvel amendment.

SENATOR SYAS: Well, I haven't anything to add now. Senator Cavanaugh covered, I think, what I was going to say with the exception of one comment. That state aid hasn't hardly got dry on the books and already you find out that you're in financial trouble it appears. I stated quite some time ago that this legislature is going to have face up to some responsible tax situation because we've spent quite a bit of the session raising taxes or exempting groups from taxes. Just like DeCamp was trying to do a little while ago. Some place there's going to have to be a day of reckoning and I think it's going to come sooner than you think.

PRESIDENT: Okay, Senator Frank Lewis. Then Marvel, then

SENATOR F. LEWIS: Mr. Chairman, I'd like to ask Senator Burbach a couple of questions.

PRESIDENT: Senator Burbach yield?

SENATOR F. LEWIS: J. W., would you be opposed to taking the \$13 out of General Fund this year and not implementing \$18 out of the school aid fund until the actual implementation of LB772.

SENATOR BURBACH: Well, Senator Lewis, I have no desire or I have no great concern one way or the other. I think we could advance the entire amendment and because we were talking about the entire amendment, I offered to amend the entire amendment if at such a time we have difference of opinion or we would want to, we could delete this in 1975 by this Body the same as we could put it in the statutes in 1975. But I thought this was all inclusive so I thought this was the approach. This was the amendment we were considering because I am convinced that the figure is correct