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LB 16

SENATOR NEWELL: The same way we have replaced any other revenues that we have lost due to exemptions or those kinds of things or due to excessive spending by this body. We will raise the sales and income tax to do that.

SENATOR HABERMAN: Do you have any idea how much we would have to raise the sales or the income tax to replace this?

SENATOR NEWELL: Well it depends on which of the various figures you assume. The University has the lowest figures and if you use their figures it would probably take three points on the income tax or not quite a full half cent on the sales tax.

SENATOR HABERMAN: Senator Newell, we have a saying out in the western part of Nebraska that is called buying a pig in a poke and I think for you to stand up here and ask the legislators to pass a bill to take the sales tax off without having in your bill also the amount it is going to cost us in additional sales tax and food tax, is not very fair and is not the right way to do it. I could possibly support your bill if you gave us the facts as to where we are going to replace it, where we are going to take this money away from somebody else, so the way it is now I'm afraid that I will have to oppose your bill. Thank you.

PRESIDENT: The Chair recognizes Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, I would like to ask Senator Newell a question if I may.

PRESIDENT: Senator Newell, will you respond?

SENATOR NEWELL: Yes, Senator Carsten.

SENATOR CARSTEN: Senator Newell, you are aware that we have several bills in our committee which we intend to, in the interim, examine carefully and to include basically our total tax structure. Is this not correct?

SENATOR NEWELL: As I understand it that is the chairman's desire to look at a number of bills and to analyze the entire tax structure in the State of Nebraska.

SENATOR CARSTEN: Would you also believe, Senator Newell, that this is and has been a part of our total tax structure?