

April 10, 1979

LB 16

PRESIDENT: The Chair recognizes Senator Simon.

SENATOR SIMON: Mr. President, members of the body, I rise to support LB 16 and Senator Newell. I would like to touch on a couple of areas which I don't think have been discussed today. Let me mention one point to my fellow colleagues about a new procedure. It is being used in Omaha. It is being used in South Sioux City, Senator Murphy. It is being used in other parts of the state. It is called double dipping, at least that is what I call it, double dipping. It is a very simple method. You see you go over to Iowa. You buy your groceries over in Iowa and then you apply for the tax credit in Nebraska. It is really slick. You save the 1% or $\frac{1}{2}$ % in Omaha is the case, $\frac{1}{2}$ % in Omaha, and then you get \$24.00 for every member of the family that you happen to have from the State of Nebraska. You get the best of both worlds. Isn't that a terrific deal that we supply for those people? And if you think it is not happening, check again. There are a lot of people in Omaha that go across the river to Iowa, thereby causing not only a loss of revenue to grocers in Nebraska, but the fact that Nebraskans are paying for it again in a rebate. Now I don't know what the fate of the sales tax bill for the City of Omaha is going to be at this point but I can guarantee you this. If that bill does go into effect, it certainly is not going to lower the number of people going across the river to Council Bluffs. It is going to increase it if anything. There is going to be more people going over to Iowa, more people doing their shopping, more loss of revenue for the State of Nebraska, more loss of revenue for the City of Omaha because of the sales tax on food. That is an issue which has not been addressed and it is one I think that you should take a look at. Now those people that do not live on bordering cities such as maybe Beatrice or Omaha or South Sioux City or Chadron you may pooh pooh the idea. You may not believe it but I suggest that you talk to some people because it does, in fact, happen. I think the other point that I want to make, and I would address these comments to Senator Kahle or to Senator Kelly and others. You know we say, after you get the credit it is really no problem. Aside from the fact that Senator Newell mentioned that 9% of the people do not get the food tax credit and maybe they shouldn't. If they are too dumb, obviously we shouldn't allow them to get it. They are not smart enough to fill out that form why should we have any compassion for them? But as soon as they do fill it out put yourselves