

April 30, 1979

LB 494

is just for background. You are all well aware of all this. My intention, pure and simple, is to help that property taxpayer. This Legislature in the last few years also decided that they were going to help that property taxpayer by starting a program of state aid to education. Now state aid is tax dollars generated from the sales and income tax and I can't think of any other reason for that program except to assist the local taxpayer but in the present formula a little better than half of the monies that we put out from that sales and income tax dollar, we give to the local school districts according to their property tax valuation per pupil. So in one hand we are saying we are going to assist the local taxpayer and on the other hand we say we are going to use his valuation as a reason to not assist him. As a result we have many taxpayers of this state that are not only funding their local schools through their local property tax but they are also helping fund other schools in this state through their sales and income tax and I contend that that is unfair. The real problem is the formula and that is what 494 tries to do is change that formula. There are no dollar amounts. The dollar amounts can be appropriated whatever this Legislature decides to do and quite frankly I would love to see the dollar amount...if it would raise and I hope that some of you urban senators from the information that I have passed out would look at the \$65,000,000 figure. Many of you are not being changed very much on that side. Another problem we have with using the property tax valuation per pupil is something we are all very concerned with and attempt to figure out how we are going to force the counties to equalize their valuations. I will submit to you that as long as we have this formula and as long as valuation per pupil is included we are going to have certain counties that are going to be very reluctant to raise their valuations and I can certainly understand that. If I was a member of the county board of one of these counties, I would not want to raise my valuations either because if the valuations come up then their valuation per pupil would rise and they might not be able to qualify for that equalization aid. Now another fallacy that many people don't understand or fail to realize is that these property taxpayers, these real estate owners, they pay sales and income tax also. I have heard the comment in here a few times that farmers don't pay sales tax. By and large we are consumers just like everybody else but if you can borrow the money or make the money to buy a \$25,000 tractor, that's...at 3%, that is quite a bit of sales tax so we do contribute. Rural Nebraska contributes to that fund that the state aid monies come from also. Right now we have such a disparity in the amount of