

February 7, 1980

LB 44

CLERK: Mr. President, LB 44 is on Select File. It was considered by the body yesterday. There was an amendment, Senator Beutler has an amendment pending. Senator Murphy had amended the Beutler amendment. We now have before us the amended Beutler amendment. Right, now it is the amended Beutler amendment.

SPEAKER MARVEL: Okay, the Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, have we moved for the adoption of the amendment? I think we have. Just to refresh your memory briefly, the amendment we are dealing with, as you will recall, has to do with increasing the sales tax credit in line with adjustments indicated by the consumer price index. I would like to take a few minutes of your time, if I could, and go over some of the arguments that were on the floor yesterday and reply to those briefly. First of all, I would ask you all to reconsider what your objections are precisely to the idea of indexing and I think if you look at that question again probably the biggest objection you have is that indexing might possibly tend to exacerbate inflation in certain instances. Senator Goodrich expressed yesterday, for example, the problem New York got into with their retirement systems. Well, that was just bad management in the first place but that was an instance where possibly inflation was exacerbated by indexing. But think this through for a minute. How is the problem of inflation going to be exacerbated by indexing a credit? I think if you ask yourself honestly that question, you will see that the main objection to indexing doesn't really apply to this situation. Okay, what are some of the other arguments against indexing? We heard that there was a constitutional problem. I am passing around for you this morning a Department of Justice opinion which basically says that there is no constitutional problem. In addition to that, I wanted to read one paragraph to you from a court case which is really not quite on point but the principle of which I think is applicable to this situation and I hope you all consider. The sentence says, "Where the Legislature has settled the guiding principles and standards of policy and has provided the precision in due process which can obviously not be fully obtained in the basic legislation, the act should be upheld." Basically all I am saying in this case is that it is not possible for us to obtain the precision that we can otherwise have by including in the act a reference to a factual index, not a policy index but a factual index, and that by relating the legislation to the factual index, we are in fact being much more precise

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