

March 31, 1980

LB 722

SPEAKER MARVEL: Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, I move for the adoption of the committee amendments. These amendments were presented to the committee by Senator Warner from the original bill. It really does not change the concept of the original bill at all and I would, with the body's permission, turn then to Senator Warner for explanation of these amendments if he would, Mr. President.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, members of the Legislature, I have an amendment that I have distributed out as an amendment to the committee amendment only. 722 is essentially the bill as...with the amendments I have offered. Essentially it is a mechanism which permits some stability to a one year state road program based upon the total level of appropriation of state funds that this body approves and through the mechanism that is included in the bill once that appropriation is established, then the State Board of Equalization as sales or income tax rates are set would adjust the rate necessary in the tax for fully funding the one year state program as approved in the dollar amount by this body. The bill as originally was introduced was tied as the base for price to the wholesale price. The committee amendment I am offering or the amendment I am offering to the committee amendment will strike any reference to the wholesale price and in lieu of that is inserted the base price as based upon the monthly price that the state pays in its bulk purchases for gasoline and diesel fuel and would average the price for the two to determine the base on which the tax is to be calculated. There was some concern expressed as I am sure many of you know of the original concept of using the wholesale price but with this amendment it is tied to the public figure of what the state pays for its bulk purchases. This retains the concept of being price responsive in the rate that is set under the provision of the bill. If the price goes up substantially higher than what would be expected during the course of the year the Board of Equalization could adjust the rate downward in order that under the same kind of provisions that we have for sales income tax which assures that we will not just necessarily be raising unlimited amount of money should the price of gas go up substantially but rather we will only raise the amount of funds necessary to provide the funding for the approved level of construction by the state for the given year. I would move, Mr. President, to adopt my amendment to the committee amendment which strikes all provisions for ... or all references