

have nothing very profound to say. Section 5 is on the third page of the committee amendments. It starts up about line 12. Basically that is the section that imposes the additional 1 percent sales and use tax to commence October 1, 1985. Essentially I am not opposed to property tax relief. I am not opposed to a homestead exemption form of property tax relief. I think both of those, both the general proposition and the more specific method of obtaining property tax relief by homestead exemption is appropriate. However, I am very much concerned about the funding of state government operations. I believe if you look and see what is happening to us this year, as you know we did not vote to decrease the \$18 million homestead exemption. Now we have to account for that, and by having to account for that, really the fact of the matter is that there is really not appropriate money to fund state operations unless we raise taxes. I'm not opposed to raising the state taxes under the appropriate conditions, one of which I think should be that if you are raising state taxes significantly there ought to be an obligation on the local political subdivisions to see that that money actually does go to property tax relief. If this kind of a bill is going to be pursued in large dollar amounts, then at some future point in time I think that I am going to address the lid question once again, although nobody is too anxious about that I suppose. In any event, I just hope that if you in fact want to do this kind of property tax relief that you are also committed to raising state sales and income taxes in whatever additional amounts are necessary to do justice to state government. Because I fear that what is going to happen out of this whole process may well be, and we'll see what happens this year, may well be that state...that you do not raise the taxes significantly enough to support both state and local operations...

SPEAKER NICHOL: One minute.

SENATOR BEUTLER: ...and that state operations are seriously going to deteriorate. I hope that is not the case. I would like to hear some discussion on that particular point, Senator Johnson.

SPEAKER NICHOL: Senator Vickers.

SENATOR VICKERS: Mr. President, members, we are discussing an issue, with LB 712, that I think a number of us have a