

on. Is there further discussion on the Johnson amendment to LB 722? You may close, Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I would like for everybody to know what it is I'm talking about. I'm going to regard this as the bellwether vote on the funding of the homestead exemption. If this receives 25 votes that means we are going to fund the homestead exemption. If it does not receive 25 votes then what I will personally do is when LB 727 comes up I will offer an amendment to delay the implementation date of the homestead law for one year. That is what I promise to do. I'll not repeal it. I'll delay it for one year. But I think it is important for us to know whether or not this Legislature is prepared to live up to the commitment that it made last year to fund the homestead exemption. In making this decision you should know these things, number one, 93 county assessors have notified hundreds of thousands of Nebraskans of the availability of the homestead exemption and have received applications from hundreds of thousands of Nebraskans for their homestead exemption. County assessors tell me that approximately 90 percent of all eligible homeowners have applied for the exemption. Number two, county assessors undoubtedly will tell homeowners, as they have a penchant for doing, that if this Legislature does not fund the homestead exemption and in fact delays it for one year, that the responsibility lay with the Legislature. So it will be a piece of reverse property tax relief in my view. In other words, we will be seen as, once again, jabbing it to the homeowner for property taxes even though we do not levy property taxes. Number three, the homestead exemption undoubtedly is an idea that will not die. Homestead exemptions are used in a majority of states. They are used much more liberally than in Nebraska. They are used much more liberally than proposed here. I suspect it will be around for a long time. Number four, this may well be the year to fund it. If this is the year to fund it we will literally be compelled to increase tax rates. We will have to increase the income tax rate, or the sales tax rate to be able to fund the homestead exemption as well as the rest of the budget. But that may be what is the most prudent and politic thing to do. I am going to vote for this amendment. I would encourage you to vote as you feel most inclined on this issue. As I said, the outcome is we either fund this and increase the tax rate, or in the alternative we will delay the homestead exemption for one