

June 3, 1985

LB 653A

minutes. If we can do this in five minutes we will have done a job that needs to be done.

PRESIDENT: May we have order please (gavel).

SENATOR V. JOHNSON: I would suspend the rules, the germaneness rules to simply allow us to use 653A to put in the ill fated LB 190 which is a cigarette tax bill which picks up the eight cents cigarette tax that will be lost in October when the federal government repeals its cigarette tax and has that money go into the cash reserve fund. As you now know we have committed about five million dollars to the cash reserve fund to deal with our budgetary problem. In the event the cigarette tax, the federal cigarette tax money does lapse, it is important that we pick it up when it does lapse and we make that money available to the cash reserve fund. This is about a nine million dollar item. I had this amendment prepared for a different bill, in fact to the cash reserve fund bill, but it is just as well to put it on this bill, we have to suspend the rules to get the job done. You will find the amendment itself printed on page 2545 of the Journal. I ask your support.

PRESIDENT: Senator Wesely.

SENATOR WESELY: Thank you. Mr. President and members, Senator Chronister had LB 190 and Senator Chronister and I have talked about the situation. We did have an amendment to LB 501 thinking that that did deal with the cash reserve fund and the money, if we did have the money come in on this cigarette tax adjustment would go into the cash reserve fund but 501 is already on Final Reading and this bill is already there and we might as well deal with it straight up. But, the thought is this, with the revenue shortage that we have right now it is foolish not to recognize that there is the potential that the Congress will not pick up that reduction in cigarette tax. If we would lose the chance, even for a few months, to not gain those revenues, and hold the tax rate the same for cigarette smokers, it makes no sense whatsoever. We are going to borrow five million dollars from the cash reserve fund, we are going to have to pay it back, maybe if we could get lucky or for whatever and the Congress fails to take action and doesn't reinsert that tax, we can make up for that money just through this quite easily I think. So it makes absolute sense to be prepared for that possibility and we lose nothing, we don't hurt anything and