

authorization for first and second class cities while seemingly attractive because the City of Omaha has that authority and the City of Lincoln has that authority is not attractive in consideration of these factors. Number one, the state's tax base in part is the sales tax and any additional authorization for local government to have a portion of that base encroaches upon our own sales tax base. Number two, if the encroachment is to be authorized, it should only be authorized under dire circumstances set out by the first and second class cities. Now first and second class cities provided some testimony of their fears of reduction of federal aid and of state aid by virtue of the Gramm-Rudman legislation in Congress and also by virtue of the fact that this body has in the past tended to reduce state aid to cities, but their explanation of the dire necessity for the additional authority or the encroachment on the state's sales tax base was neither immediate nor tangible. It was speculative, prospective, and intangible. It was certainly my conclusion, and I believe that of the rest of the Revenue Committee, that at this time authorizing the additional 1/2 cent authority was premature. The case hadn't been made. The case hadn't been made. It is for that reason that I would ask this body not, not to adopt Senator Lundy's amendment.

PRESIDENT: Senator Abboud, do you wish to speak on the Lundy amendment?

SENATOR ABOUD: Mr. President, colleagues, I have looked through LB 890 and I think it is kind of a novel approach to asking the people their opinion on tax increases, and I think that is a good philosophy to have, to spell everything out to the voters, and say if you want a project, we will increase the sales tax this amount for this amount of time, and then we will take it off once the project is completed. At least that is the way the statute reads in the bill and I think that is a pretty good approach. I think it is good to go to the people and ask them their different opinions on a bill or on a tax increase. So I say that in the onset to say that I don't oppose the bill as it stands right now. I do have some problems with the Lundy amendment. I represent an area that does take in a first class city, the City of Ralston, and the city does not have a sales tax. It was put before the vote of the people and it was resoundingly rejected about four to one by the voters, and at that time they chose not to go with the sales tax increase but they