

two days or in the alternative, we go into a special session and I know that every one of you here will sigh with a groan at doing that, but this is an issue about which I feel very strong, very strongly. This legislative session has made a wholesale commitment to using the sales tax to finance government, whether it be the state government or whether it be local government. This session has made a wholesale commitment to finance government at the expense of moderate income families and low income families. Sales taxes are regressive in nature, but they are easy to impose because we take the money from the taxpayer nickel by nickel and dime by dime and dollar by dollar. Sales taxes historically fall disproportionately on moderate and low income people than on affluent people. This session has allowed local cities an additional half cent sales tax option, has allowed the state an additional half cent sales tax and when that is all added with the one cent sales tax in LB 662, puts us at a 6.5 percent sales tax rate collectively. This session is designed to essentially burden middle income and low income people and permit the continued deterioration of income taxation on the affluent. Now, whether Governor Kerrey's rationale for vetoing this bill is the same kind of rationale I would have for vetoing this bill is an irrelevancy, but we needed to have gone down that income tax route because the system of taxing income is a system of taxing in accordance with ability to pay and not consumption. If you keep faith with the basic ideals of our state, and they are very fundamental to the fabric of our state, and those ideals are you tax in accordance with the ability to pay and we make a serious mistake in going the easy route and the easy route is a sales tax increase. And I think we have to sometimes do the incredibly tough things, I mean the really hard things, not to override a veto, take whatever time is necessary, using whatever techniques are necessary to bring a budget into balance and if that means reconsidering earlier overrides, so be it. If that means extending a session two days, so be it. If that means going into special session next June or May 15th as Senator Harris once would have had us do, looking at tax receipts then, so be it. I don't want to do a special session. You don't want to do a special session, but sometimes special sessions are necessary to get a correct tax policy.

PRESIDENT: Senator Barrett.

SENATOR BARRETT: Mr. President, I move the previous question.

PRESIDENT: Do I see five hands? We have had a pro and con discussion and I will put the question to you. I do see five