

upon adjournment in Room 1003. That is offered by Senator Warner.

Senator Haberman has amendments to be printed to LB 1 in the Journal. Senator DeCamp has amendments to LB 19 to be printed in the Journal. (See page 51 of the Legislative Journal.)

That is all that I have, Mr. President.

SENATOR BEUTLER: Are we ready for LB 2, Mr. Clerk?

CLERK: Yes, sir. Mr. President, LB 2 is a bill offered by the Speaker at the request of the Governor. (Read title.) The bill was first read on October 17 of this year. It was referred to the Revenue Committee. It was advanced to General File. I have no amendments to the bill at this time.

SENATOR BEUTLER: Senator Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I guess this is our first really tough bill to have to deal with, LB 2. And I will use my ten minutes to go through it and to indicate why it is a tough bill but to indicate why in the end I think it is an appropriate bill. Now Governor Kerrey has brought to the Nebraska Legislature a package of budget cuts and tax enhancements. One of the clear tax enhancements that we will be talking about a little later on I assume today is LB, whatever the cigarette tax bill is, LB 3. This particular measure, LB 2, is not a measure to increase any tax. Instead it is a measure to shift some dollars. As you know, and if you don't know why we will start out and talk about it, but as you know, the sales tax that the state collects goes into the General Fund. All sales tax dollars go to the General Fund with one exception and that is the sales tax that the state collects on motor vehicles. The sales tax that we collect on motor vehicles goes into the cash funds, particularly it goes into the Highway Trust Funds. Now that was not always the case. Back in 1967 when the state established the sales tax, it had all sales tax dollars going into the General Fund to simply operate government. However, in 1969, as a part of our overall, we had some omnibus road bills move through at that time. The Legislature decided that the sales tax on motor vehicles would be earmarked and the earmarking would