

that in the time of an economic downturn where we know our duty requires us, our duty requires us to carefully examine state agencies' aid to local subdivisions and to effect cuts and pruning that it would not be proper, it would not be proper for this state to allow one side of government, that is the cash funded side, to go without the cuts and the pruning. LB 2 effects some modest pruning. You will probably hear stories that if we want to cut, we should simply reduce the level of appropriation to the highway department and similarly reduce the variable gas tax. That can be done. But that is not adequate. The time has come for us to return to that historic level where we earmarked 2.5 percent of the sales tax on motor vehicles to the Highway Trust Fund, but no more. Enough is enough. If, in fact, we want to have additional revenues from gas tax, we could always impose a sales tax on gas tax which a variety of states do.

SENATOR BEUTLER: Your time is up, Senator Johnson. Senator Haberman.

SENATOR HABERMAN: Mr. President and members of the body, this is going to raise local property taxes. We are taking away from the cities \$1,400,000 and the counties \$1,400,000. So we are standing up here and saying we need property tax relief but in essence we are just going to raise the property tax. This will cause the variable gas tax to raise from 5 to 8 cents per gallon. That is what it is going to do. We are going to have a nickel to 8 cents a gallon increase in gas tax. So who pays the gas tax? The citizens. What is it? It is a hidden tax. The poor, the elderly, everybody has to buy gas. This has been working fine just the way it is, but all of a sudden some people get the idea that the wheel is working, we have got to break it. So I say let's just leave it where it is and go on about our business. If we want to raise taxes, let's be up front about it. Let's don't try to make it hidden taxes. And for gosh sakes let's don't rob the counties and the cities without giving them more notice than a ten-minute or a fifteen-minute or a half an hour debate on a bill as heavy as this one. So I would urge the body to defeat LB 2E and if necessary, we should IPP it so we don't have to worry about it for the rest of the session. Thank you, Mr. President.

SENATOR BEUTLER: Senator Lamb.