

SENATOR ASHFORD: Thank you, Senator Moore and members. Just a brief discussion, if I might, about the sales tax and why it was chosen as a means of funding this project. First of all, as I alluded to, the Nebraskaplex initiative study that the Legislature commissioned, sales tax was viewed as one of the, if not the best funding source for projects such as this, projects such as this because the cost in the long term is less with the one-time expenditure than it would be if it were bonded over a long period of time, and that the second reason that it was selected as the vehicle was that though it can be argued, as Senator Chambers has on many, many occasions, argued that sales tax is regressive, in actuality the cost or the amount of tax paid by an average family to fund this project is relatively small. The...it is estimated that, by the city, that the cost for a family of four making \$25,000 for one year, which is the limit of this...of the funding for this project would be \$2 per month. If the family was earning 50,000, it would be about 3 1/2 dollars a month in sales tax. In addition to that, as Senator Chambers knows, and certainly he knows sales tax better than I, I am sure, but there are a number of exemptions to sales tax which, food being one of the major ones, which does lessen the burden of that particular tax. In effect, the wealthy, the same study that I've alluded to, quoted from, indicates that wealthier Omahans, people with more disposable income, pay a substantially greater sales tax each year than do individuals that are less affluent. The other reason that, and I think this is a very central point, and that is that, is that the sales tax was chosen instead of seat tax and other kinds of assessments that could be levied within the city because it was the city administration, the mayor's desire to keep the cost of tickets to these events low. There is a 25 cent seat tax now on events at the Orpheum and Rosenblatt Stadium, and at the auditorium, and it was his desire, in conversations with me, to make certain that that tax remained low, and that the best way to ensure that and also to keep a lid on property taxes and not increase property taxes for this purpose, the one way to do that was to keep the cost of the whole project down. The other point that I'd like to make is this. Since this project was before us last year, Peoples Natural Gas has agreed to fund the construction of a parking garage to attach to the civic auditorium. That's a significant investment by private industry in this project. So now we have private investment, I think we have a tax source which admittedly, Senator Chambers, does...can hit people with lesser income at a greater percentage of their income but, in actuality, the facts would indicate that it is a very, very