

I notice that you suggest that we should wait for this years crop to determine whether or not a reduction could be made, obviously the crop that would be effected in November of 1974, when it becomes to setting sales tax rate, would be the 1975 crop. Not the 1974 crop, but we are doing it this time, is really dealing in facts where its known income, at least to a much greater extent than then and known growth and as a result that tax saving to the public can be made. Now I don't believe I have ever once represented any change in the rate setting procedure during all of these discussions. I repeatedly pointed out under the current law only the legislature could provide this reduction and this was no other alternative. Consistently I have maintained, I think the majority of the members of the legislature have maintained the policy that we should only raise what is needed for the financing of Government. This is the concept behind the whole rate setting procedure and then the additional policy that we would be initiating now, is that is excess collections are made above need, that this would be returned to the tax payer or not taken from him in the first place. It is suggested that there is a rash of spending measures pending and as you know each sheet that was turned out to you, carried the assumption that all of the bills pending could be passed and still provide the 2% reduction as is proposed in LB 10 and at no point did I ever represent on the floor that only a partial list of those bills could be passed. Obviously the few that are passed, the greater is the justification for the reduction in the income tax as has been proposed. I do not believe that the use of LB 10, was an improper, in fact it was the only expeditious route to go. Obviously this decision could not be made and will not be made until all of the bills or virtually all of them at least have been considered. The members will know what our total expenditures are and then on the last day a decision can, a deliver these decisions, can be made on whether or not this reduction should occur. I can not help but wonder some what that the Governor is hedging a little on his original suggestion, with the idea that the rate can not be changed now. Perhaps there is some question whether the original estimates then were correct. But again I repeat that everything that I have told you have come from figures either from his budget message or a document rather or from information provided by the tax commissioner's office. In closing, I would only say that I don't believe that the charge which is frequently made that the legislature is on a massive spending spree, is true. I think the facts show that it is the legislature in the past, which has demonstrated the ability and the willingness to reduce taxes and I call your attention to the fact of personal property tax, the increase in the food credit, number of times which the legislature has attempted to put limitations on real property tax, pending, and now the possibility of an income tax reduction. In almost all these instances, the Governor has either resisted or opposed them, and I believe that the real concern with the tax payer has been this legislature and will continue to be and we do have the responsibility for what is spent, what the rates are, exactly as the procedure is now done, and I would urge you to continue to review the total expenditure that we will be making, and if in the event on the last day, that the projections that we have shown to date are valid, that then a reduction is appropriate. It is something that I'm sure the tax payers of Nebraska would appreciate. Thank-you, Mr. President.

PRESIDENT: We're ready to move to final reading and that will begin this morning with LB 87.

CLERK: LB 87.

PRESIDENT: All provisions of law relative to procedure having