

would not have the problem that we had this last fall, this last November. So this is striking that material that has reference too, the legislature setting the rates and the rates only be considered in this bill and increased from 11 to 13.

PRESIDENT: Chair recognizes Senator F. Lewis.

SENATOR F. LEWIS: Mr. Chairman I would support the findings of the Revenue Committee, I think that there are two separate issues and I think that the committee has used good judgment in separating out the two issues in terms of making

(end belt #1)

(start belt #2)

597 the rate setting bill and 606 the procedure or mechanical procedure for establishing rates. I would certainly urge the adoption of the committee amendments.

PRESIDENT: Senator Burbach has moved for the adoption of the committee amendments. Is there a second? A discussion of the committee amendments? All those in favor say aye, those opposed nay. Ayes, have it committee amendments are adopted.

CLERK: Mr. President, there are pending amendments by Senator Carpenter.

PRESIDENT: Senator Lewis, did you have anything further?

SENATOR LEWIS: I would certainly like to speak for the bill but we will wait for Senator Carpenters amendments. I suspect that maybe Senator Carpenter would withdraw those amendments and place that on 606.

PRESIDENT: Chair recognizes Senator Carpenter.

SENATOR CARPENTER: I ask unanimous consent to withdraw my pending amendments.

PRESIDENT: Any objections? Seeing none, so ordered. Now we are back to the bill with the committee amendments adopted. Senator F. Lewis.

SENATOR F. LEWIS: Mr. Chairman, the issue here is clear, and definite in my judgment. First of all I know that there are political ramifications surrounding taxes and particularly in an election year. I will remind you that this legislature in this judgment looked at the income tax situation last year and with LB10 provided for a 2% point reduction in the income tax because they thought that a surplus was available at that time. The board of equalization met and of course there was an additional 2% lowering of the income tax, so I was quite concerned that we didn't have the necessary money to provide for on-going state operations. We have employed a staff downstairs of some 18 people who are supposed to help us make financial decisions and advise us, so that is where I went. I posed a very simple question to our fiscal analyst, and I said can we provide the on-going programs of this state with 2½% and 11%. He replied no. I refer you to the hand-out that I just gave you that shows from page 13 of the report by your staff, by the