

if you take it away from them and they know that the first of next year their tax bill, plus their re-evaluation is going to be there, we're going to get a lot of resentment for even taking \$28 away from them. It doesn't sound like much, but you couple that with the re-evaluation, I think we're going to have a problem.

SENATOR CULLAN: So, Senator Labeledz, if I understand your comments you would be opposed to taking that \$25 or \$28 exemption from every person in the State of Nebraska. You would oppose removing that from the existing system.

SENATOR LABEDZ: At this time I would, yes.

SENATOR CULLAN: Okay. Thank you very much, Senator Labeledz.

SENATOR SAVAGE: Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, I know very little about the issue, so that makes me eminently qualified to arbitrate. Let me ask Senator Labeledz and Senator Newell something. Are there any areas of agreement you both have on this matter? In other words, are we in an either or situation, or is there any inbetween?

SENATOR LABEDZ: Well you either are going to have LB 407 or you're going to have LB 604. There is just no compromise because of the determination on what the household income is determined. In other words, is it an all money concept, including everything, social security, and I think there are about 22 different things listed that you could call household income, or is it the federal adjusted gross income? We cannot come to an agreement on that.

SENATOR DeCAMP: Are there any areas of agreement, David?

SENATOR NEWELL: You know that is a very good.... And we talked about this at lunch the other day. There are areas of possible agreement. At this point, however, the parties involved are not interested in agreeing. I am interested in trying to work out some compromises. But at this point until there are some questions about who has the strength, Senator Labeledz is not, at that point, willing to try to work out any sort of an agreement. So I guess.... I would say this, however John, that we started out poles apart. We are now down to three basic differences. Those differences are whether you want an all monied income, or a spendable income concept which takes the loopholes out, or do you want to use the federal income tax alone and allow for other loopholes of nontaxable income. Also the other differences, whether or not you want to include renters and disabled, which the circuit breaker does. It says that renters ought to get something back, even though it shouldn't be as much as homeowners, they ought to get something if they are over 65 because there is a need. Then the final place for disagreement is that in order to expand the benefits so that the disabled people, under 65, renters over 65 and expand the benefits so that you can raise the evaluation of the home to \$40,000 instead of \$25,000, that you have to do away with the \$6 million that we piddle out to each and every citizen who bothers to file at a total maximum amount of approximately \$30, between \$20 and \$30 to each one of these people that own homes, to do away with that unnecessary program and use those monies to expand the other benefits. Those are the three areas of disagreement. There were many more from the beginning. Now we've narrowed it considerably.