

SENATOR V. JOHNSON: Yes.

SENATOR HIGGINS: It said the tax commissioner must hold, must hold a public hearing on any proposed rate change recommendation.

SENATOR V. JOHNSON: Yes.

SENATOR HIGGINS: If the bill mandates that the tax commissioner do this, what is the purpose of the public hearing?

SENATOR V. JOHNSON: The bill actually is discretionary. I'm sorry. The bill is mandatory in that the tax commissioner must hold the public hearing, and in addition must adjust the rate to effect the compensation. But the purpose of the public hearing, frankly, is to allow a lot of people to come in and testify that the federal law change doesn't affect \$17 million worth of state taxes. You know, because there can always be a reasonable dispute as to whether or not the federal law change is going to affect \$17 million of state taxes, or how much it's going to...

SENATOR HIGGINS: Excuse me, Senator Johnson, I can't hear him, Mr. President.

SENATOR LANDIS: Thank you, Senator Higgins. (Gavel.) Let's have some order in the Chamber. Senator Johnson, if you'd proceed with your answer to Senator Higgins' question.

SENATOR V. JOHNSON: Yes.

SENATOR HIGGINS: Thank you.

SENATOR V. JOHNSON: Thank you, Mr. President. No the...obviously when the federal government makes some law change people will have some expectations as to how much money that change will affect Nebraska's taxes. But there can always be a reasonable difference of opinion as to how much money will be affected. The purpose of the public hearing is to give an opportunity for those differences of opinion to be aired. And it is quite possible that there would be some who would say this federal law change will have an inconsequential effect upon Nebraska's tax base, and there will be others who will say it will be very consequential. But it is with those kinds of considerations that the tax commissioner will have to take into consideration as he or she determines whether or not an adjustment should be made in the Nebraska tax rate.