

liability, under my proposed amendment, is 21 percent. You may recall that last year we had a rate of 19 percent. This increase to 21 percent would result in generating the same amount of revenue. I think this is a much fairer proposal in that if you look at the adjusted gross income plan that is being submitted today, I think that you will find that it is more regressive than the plan that has been submitted in the past. It would apparently increase the tax burden on our middle income citizens while significantly reducing taxes for the wealthy and affluent. The English statesman Benjamin Disraeli once said that there are three types of lies, white lies, damnable lies and statistics. Now the Revenue Committee has distributed a packet of tax calculations that make LB 773 appear not all that unreasonable. The calculations are apparently designed to minimize the negative aspects of LB 773, nevertheless, a close examination of each of these calculations illustrates the inherent inequities and unfairness of 773 by showing that middle class Nebraskans like you and me will pay significantly greater state income tax if LB 773 is passed. For example, on the pages of the Revenue Committee packet that I have distributed and highlighted, a married person with three exemptions using itemized deductions, whose federal adjusted gross income is \$30,000 would have his or her state income tax increase from \$572 in '86 to \$647 in '87 under LB 773, an increase of \$75. In stark contrast, a married person with three exemptions using itemized deductions, whose federal adjusted gross income is \$250,000 would have his or her state income tax decrease from \$14,277 in '86 to \$11,361 in '87, a decrease of approximately \$3,000. Further, under those same circumstances, such a married person with a federal adjusted gross income of \$250,000 using standard deductions would have his or her state income taxes reduced from \$19,629 in '86 to \$13,377 in '87, a tax windfall of \$6,252. Moreover, even according to these calculations such married persons with incomes of less than approximately \$65,000 would have their state income taxes increased while only such persons with incomes greater than approximately \$65,000 would receive significant tax reductions under LB 773. I respectfully submit to the body that the vast majority of such Nebraskans have incomes of less than \$65,000 a year and would have their taxes increased under LB 773. As you can clearly see, LB 773 would provide a significant tax break for high income individuals at the expense of middle class Nebraskans who would have their state income taxes increased. It certainly cannot be said that LB 773 is revenue neutral especially for middle income people like you and me who would have our state income taxes increased. In effect, the apparent tax philosophy of 773 is