

March 23, 1981

LB 197

SENATOR WESELY: Thank you, Senator Clark. Excuse me, Mr. President, members of the legislature, I just briefly wanted to point something out to you and I think it is kind of interesting. This relates in a sense to the homestead exemption and you may say, well, how? Let me give you this example. The present homestead exemption because it is based essentially on taxable income, in a sense, on adjusted gross income discriminates against individuals with retirement benefits that are taxable. It discriminates against them, our present homestead exemption does but this bill, in fact, benefits those same people that are discriminated against with our homestead exemption by benefiting them through this credit. So in a sense you are alleviating an inequity that we now have with our homestead exemption program by supporting this bill. If you think that there is any problem with the fact that we are dealing with taxable income and gross income through this tax credit system, keep in mind the homestead exemption system that discriminates against those very same people and you will realize that what this is trying to do is balance it out when you keep it in that context and I just thought it would be interesting for you to know that fact.

SENATOR CLARK: Senator Kilgarin, did you wish to close? Senator DeCamp, did you wish to talk again? He has a chance if he likes.

SENATOR DeCAMP: Mr. President, 'ell, bills like this are difficult because any time you ask a question or try to home in on something to show a problem, somebody is going to say, well, you are against the old or you are against the young or you are against the unborn or something like that and this is one of those very sensitive bills. But I have listened to Senator Newell. I have looked at the papers. I have looked at the bill and I believe you have to stick with Senator Newell's amendment if you are even going to be slightly fair. Let me explain why. Our entire income tax system in this state is tied to the federal government. Now I think that is pretty well known among the legislators and I don't know what the exact rates are now but, anyway, it is a relative thing. If you pay a \$1 of federal income tax, you pay, what, 15¢ or 16¢, whatever it is this week, of state income tax. It is a relative thing. You are taking and creating an aberration and distortion in that the federals are going to give you a certain tax credit. Then you should maintain, I think, the relativity and give them the same relative proportion of state income tax which was what the Newell amendment said, "multiplied by the rate of income tax as set under section blah, blah, blah, Revised Statutes...." Otherwise we are beginning to step into that field of taking

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