

contractors out of business and if you put them out of business it is the second largest industry in Nebraska. It is not their fault that they can't build roads in the wintertime. It isn't the tree trimmers and the people that take care of lawns and such in the summertime, it isn't their fault that they don't have any work in the wintertime. I don't think that it is fair and they have told me that they think that it will really put a lot of them out of business. My question is, can you come up with a better plan?

SENATOR MARESH: Senator Higgins, the first \$6,000 is what they are taxed on, all employers, so the high wages have no effect on unemployment compensation. \$6,000 is all that is taxed, that is levied on.

SENATOR HIGGINS: Are you telling me that the only contribution you make is on \$6,000?

SENATOR MARESH: The first \$6,000, yes. Some states are thinking about increasing that to get out of the red. At this conference they told us that this should be raised, this \$6,000, they are asking the federal government to increase that amount because of inflation. But it is taxed on the first \$6,000.

SENATOR HIGGINS: You mean that I have two secretaries and say combined they have a total of \$12,000 payroll a year that I am not going to pay anything into the unemployment contribution over and above the first \$6,000?

SENATOR MARESH: Based on the first \$6,000 the rate goes against. . . .

SENATOR HIGGINS: The rate is based on that but they are going to pay on their entire payroll.

SENATOR MARESH: Just the \$6,000 per employee and it depends upon how many employees they have. That is what they pay.

SENATOR HIGGINS: Every employee that makes \$6,000 or more, they are only going to tax the first \$6,000 of each employee. But in the construction industry darn near every employee makes well over \$6,000 so there won't be any employees that they will not be paying it on. They will be paying almost double the rate, according to this contribution rate you have now.