

tax rates that would bring the income more proportionately to the requirement that is needed. With that explanation of the bill, Mr. President, I would move for the advancement of LB 454 to E & R Initial.

SPEAKER MARVEL: Senator Kahle, do you wish to be recognized?

SENATOR KAHLE: Mr. Speaker and members, I also serve on the Revenue Committee and certainly concur with what our Chairman has just said. I guess I do have some concerns along the line that Mr. Stone had and I would hope that we would not use this as a yo-yo sort of thing and change the rates every few months in order to bring in the exact right amount, but I do think we need this fine tuning effect, especially in view of the present economics where we are not sure exactly what will come in and what we will have to do with our tax revenue income. I guess I might have one thing I would like to get on the record, I would hope that this if passed would be used by the Board of Equalization. It doesn't do much good to have that prerogative if it is not used. And I guess I am using for example the last special session we had. I think we could have taken care of that through the Board of Equalization and perhaps if we had had this increment financing, or increment way of figuring our revenue, they would have used it. But I do favor it and I think it will work if we give it a chance. And I certainly would like to see it used and that we not be called in to special session unless we have a drastic change in our income and our economics go really bad. So with that, I do support this issue. Thank you.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman and members of the body, I would have to oppose this issue, as Senator Newell and I both opposed it in the Revenue Committee. There are other implications other than really fine tuning involved with it. If we make this change, we will trigger a quarter of a percent of sales tax while still at a 16 percent income tax rate, 16 percent of the federal liability. The change will do that. Under current law we go to an 18 percent income tax rate before triggering the half percent of sales tax, so it really speeds up the changes on the sales tax system. And I think the retailers of the state have a real legitimate concern in seeing the potential of that sales tax rate being triggered during a year where they have got to change charts from 3, 3%, possibly 3½ percent throughout a year's time, if we have any substantial shifts in the