

SENATOR KILGARIN: Thank you, Mr. Speaker. Members of the Legislature, I rise to support the chairman of the Appropriations Committee, the chairman of the Revenue Committee, and I think I will add that between those two people we have thirty-two years of combined experience in this Legislature. I support the amendment. I think it is the honest thing to do. I think it is the right thing to do. People realize that the new federalism is sending programs to the states, that we are to evaluate, screen those programs and make decisions on which ones should be continued to be funded. I think many times this Legislature as a whole and individual senators have a tendency to underestimate the public's understanding of the taxing system. I think the public understands that our tax rate is based on the federal rate. I think they understand that the federal cuts affect our tax system, affect our revenues, and I think they realize the need for us to make up some of that lost revenue. We are not making up all of it if we go to 16%. We're still going to lead the public into a \$20 million tax cut. I don't think that by doing this we are abandoning President Reagan's new federalism program or his tax cut theory or philosophy because we are still sending to the public a tax cut but I think we are being realistic. I think we're saying, yes, we want to cut taxes but we can't afford to cut them as much as maybe we would like to at this point especially with these programs coming to the state from the federal level. I think people are also realistic, the general public, in that they recognize that the federal tax cut might have been too much in the first place. They don't like the idea of having over one trillion dollars in debt and deficit. I think if President Reagan was more realistic he might also have not had such a large tax cut. I think in the Nebraska Legislature we need to do the right thing today. We need to give the Appropriations Committee and the Revenue Committee some feeling as to this body's direction on the state income tax rate. I think it is the honest and right thing to do and I would urge your support of Senator Warner's amendment.

SPEAKER MARVEL: Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Speaker and members of the Legislature, I would rise to oppose the Warner amendment. It isn't often that I would oppose the chairman of the Revenue Committee and the chairman of the Appropriations Committee but I would say to Senator Warner, I note a distinct difference your committee, a vote of five to four, as you came to the floor with your suggested target figure and I would say that we need to take a good look at what money we are spending, not trying to find more money to spend. We are not in times when people are willing to pay any additional taxes. They are hopeful that they will get the benefit of the 10% reduction as far as the Reagan program is concerned. I want to share with you an experience I had yesterday. I visited with the legislative committee of the Grand Island area