February 5, 1982

I think that it is not correct to say that those who would support this motion are for higher taxes because I think those who are opposing this motion would also say that they are making efforts to increase revenues but I would say that those that would support this motion would want to do that and, in effect, that would be more open and more accessible and open to the public and I think that is really what the key question is. There are two things that this amendment and a hearing could accomplish in terms of educating us and educating the public. If the bill is returned to committee there is the opportunity for people to talk about the concept of the Legislature setting tax rates. There was a poll done by the Lincoln Journal and I guess over twenty senators in this body said that tney thought the Legislature should play a role in setting tax rates. This bill does not directly address that issue but indirectly does of course because we are saying for the next year what the income tax rate will be. That issue ought to have a public hearing and should be discussed and the concept ought to be explored. So I think the idea should have the chance for a public hearing before the Revenue Committee and that would be valuable. The next issue that I think could be opened up and discussed and I think help educate us and the public concerns the whole question of how we adjust to the new federalism that is being imposed in this country. I think the key question is this. In talking to different groups there is a lack of distinction between adjusting our income and our taxes to make up for the federal cuts versus adjusting our taxes to make up for the slow down in the economy. I think most citizens of this state recognize that if the economy is slowed down and they are tightening their belt, then state government ought to tighten their belt and I think we all agree to that. But why should we let the federal government, Washington, D.C., set our tax policy for the state and not take any sort of leadership on the state level to deal with our old fiscal matters? I think that is the other part of the issue that needs a public hearing and needs to be discussed because there is a distinction. I think that what Senator Warner is trying to do is to recognize the new federal tax cuts impact on Nebraska and say that Nebraska should decide what our own tax policy is and what our own tax revenue should be and I think that is what the new federalism is all about or supposed to be all about. It is supposed to try and give more leadership and responsibility and authority to the states to determine their own destiny and I think what Senator Warner is saying is let's assume that authority and let's take that responsibility and discuss the question of what destiny this state should take in terms of tax revenues. So I think that that discussion would be valuable to be held in committee. And then finally I think that this issue raises the questions that Senator Peterson was discussing again. We