

proposal we are making an adjustment which is still under last year's rate. This is a minimum. This does not preclude other adjustments being made later, but this is saying, I have the courage to admit to the State of Nebraska that we should have made some adjustments in the rate and I am willing to do it now. I am willing to bite the hard bullet to say this is responsible government, I will oppose the amendment to lay over, I will support the bill, 304, on Final Reading.

SPEAKER MARVEL: The Chair recognizes Senator Vard Johnson and then Senator Kahle and then Senator Howard Feterson. I'm sorry...Senator Warner.

SENATOR WARNER: I wonder if I was in order there somewhere.

SPEAKER MARVEL: I am trying to spread it out so that we are fair with everybody. Okay, Senator Vard Johnson, do you wish to talk?

SENATOR V. JOHNSON: Yes, I do. Mr. Speaker, members of the body, as Ecclesiastes says, there is a time to do one thing and a time to do another. And this is one of those times when it is not right for us to set the income tax rate. I have consistently voted to increase the income rate from 15 to 16 percent and I have used every opportunity that has been presented to this Legislature to do that. I have done that because as a member of the Revenue Committee I have seen the revenue figures and have also been aware of the probable appropriational figures, and I have recognized an absolute need on the part of this state to increase the income tax rate from 15 to 16 percent, and thus each time the measure has come to the floor I have supported that measure simply because I wanted to be able to say again and again to the members of this body that that is a step that will have to be taken. But at this point today because we have now adopted a budget resolution, because we have now said that the target figure is \$763 million, because that fact is behind us, which hasn't been heretofore, because that fact is behind us, we don't need to actually increase the tax rate. We need to wait until three more pieces of the puzzle are put together. And what are those pieces? LB 760, the corporate tax bill. That is now out of committee. The question simply is, will or will not this body go along with the corporate tax increase that the Revenue Committee and the Governor have proposed? If this body does not go along with the corporate tax increase as proposed, that has a dramatic effect on the individual income tax rate. The second piece of