

March 24, 1982

LB 760

SENATOR DWORAK: Senator Carsten, the question is and again, it's been several years since I've worked with you, Senator Carsten, and I don't remember, is the corporate income tax part of the 50-50 test between income tax and sales tax? Do we figure corporate income tax into that formula?

SENATOR CARSTEN: Yes.

SENATOR DWORAK: Now will, with these figures that you've given us at 35 and 40, have you run that test on income and sales tax? Are we going to be in sync on that or are we also going to be triggering the sales tax increase because of the generated increase income off the income tax?

SENATOR CARSTEN: We have asked for that information from the Revenue Department but have not received it. I cannot answer that at this point.

SENATOR DWORAK: So then if we vote for this bill, for all we know at this point with the additional millions of dollars going to be generated, we conceivably could be voting for a sales tax increase. We don't know. Is that correct? We don't know.

SENATOR CARSTEN: That is true to a degree because of the uncertainty of the future. All we can do is use the projections that are the latest that we can get which are, as you well know, only guesses. You are correct in that point. It could or it could not. It is just hard to tell. If the projections are anywhere near accurate, who knows?

SENATOR DWORAK: Senator Carsten, I really sympathize with your committee, you know, without having that kind of information...

SENATOR CLARK: You have one minute.

SENATOR DWORAK: ...before you from the Department of Revenue. I think that's...I don't know how we can cast a vote and I don't know how you can make a recommendation solidly without knowing whether or not we're triggering an increase in the sales tax. Now just one other point, and I'm uncomfortable about this bill and I'm not kidding anybody. Some of the things that Senator Johnson said that justifies the increase of the corporate income tax such as Accelerated Costs Recovery Act, et cetera, some of the carryover provisions, I think specifically apply to only certain types of corporations and there are other types of corporations that aren't benefitting from this Accelerated Costs Recovery Act and also some of these other tax advantages being passed down by the feds. Now those corporations that haven't gained are going to get the same corporate tax increase