

ment and since they are cutting the funds that are coming back and have decided they needed less revenues with their lower rates, I think it is the ideal choice in a system to pick up dollars without jeopardizing Nebraska's economy. Really I think we ought to look at what is fair in relation to the personal taxpayer and the 40% rate comes much closer to an equitable and fair rate for the larger corporations. They certainly would like to see it be less but I think Nebraska should tax corporations more similar, more like the individual taxpayer, and at a 17% rate, that 50% rate is only 8½% effective rate of the taxable income of the corporation. The 17% rate on the higher income personal taxpayer is also an 8½% rate so when we're at 40% we've already given them one whale of a break. Why go further than the 40% with the committee amendment and reduce to 35%? It is a good source of income. We're cutting down on a lot of needed programs. We're shoving money onto the real estate taxes and I think it is time that we bring the corporations in line. I understand all of the arguments that come in against raising the corporate tax and at a point they would have validity but they don't at the range of 35% and 40%. The higher tax is a much more equitable tax.

SENATOR CLARK: You have about forty-five seconds left.

SENATOR BURROWS: Thank you.

SENATOR CLARK: Senator Carsten, do you wish to close?

SENATOR CARSTEN: Mr. President and members of the Legislature, first of all I want to correct an answer I gave to Senator Dworak. The corporate tax is not, Senator Dworak, a part of that fifty-fifty test and in reality this corporate tax in itself would not trigger a sales tax increase. So I wanted to correct that first. It does appear, and I think Senator Johnson made the point that I did not make in my opening statement that our first reaction to this bill was at a time when we were looking at 16% and not 17%, and then after the Governor's presentation again it did appear, since the corporate is tied to the individual, that looking at 17% as the Governor was then proposing, that a slight reduction from what our original recommendation was really appropriate and I believe it is. I think that it is realistic. It is more in line with where it should be and corporations are still going to be paying, at least in my opinion, their fair share and I would move for the adoption of the amendment to the committee amendment.

SENATOR CLARK: The question before the House is the adoption