

March 24, 1982

LB 760

of the Carsten amendment to the committee amendments. All those in favor vote aye, opposed vote nay.

ASSISTANT CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted? Record the vote.

ASSISTANT CLERK: 22 ayes, 3 nays on the Carsten amendment to the committee amendment, Mr. President.

SENATOR CLARK: The Carsten amendment is adopted. We have another amendment to the committee amendment.

CLERK: Mr. President, Senator Vickers would move to amend the committee amendments on LB 760 by inserting 30.

SENATOR CLARK: Senator Vickers.

SENATOR VICKERS: Mr. President and members, I didn't get involved at all in the discussion a little bit ago about going from 40 to 35 but I think a little bit of discussion as to the philosophy of what we are doing needs to be made. Now obviously Senator Burrows and a few other people think that corporations are having a real good deal right now and that we should increase those taxes. But I guess I just basically believe that corporations, especially the large corporations that we've been talking about, in the end don't pay taxes anyhow. I think the consumer of the products pays the taxes. Now there are, of course, exceptions if you are talking about a farm corporation such as the one I've got. We can't necessarily pass our costs along. On the other hand right now it wouldn't make a whole lot of difference what the income tax rate was either but I look at this from this perspective. I believe we're going to be in a situation where we're probably going to raise the income tax rate higher than 17%. I wouldn't be a bit surprised if it is 18%. I think many of us in here recognize that. It might even be a situation develop in the next not too far distant future when perhaps even the sales tax might have to go up a little bit. Now what happens then as a result if we raise corporate taxes very much is that, and I will use New Holland for example, their cost of doing business, which is what their taxes are part of, obviously will be added to their price that they are having to get from the products that they are producing which means that the farmers or the people having to buy those parts or those equipment are going to have to pay a higher price. Now if they have to pay a higher price then they are going to have to pay sales tax on that higher price. So in the end you have those people out there that may not even be making any money, actually may be losing money, but having to hang on and buy these products, having to pay taxation, double