

hope you would look seriously at the amendment offered by Senator Vickers and myself because most corporates said they believe that is reasonable. They would accept that as being reasonable and hope the state can recover some time in the future. I ask for the adoption of the Vickers-Koch amendment.

SENATOR CLARK: I have Senator Carsten, Senator Vard Johnson, Senator Dworak, Senator Newell, Senator Sieck and Senator Burrows. Senator Carsten is next.

SENATOR CARSTEN: Mr. President and members, I would object to the amendment and hope that you would not accept it. I believe that our committee has looked at this with realism and come up with what we believe is a reasonable, fair proposal. I suggest to you that if we do not accept the 35 figure that we are then seriously jeopardizing that portion of revenue or a portion of the revenue that is going to cover this next fiscal year's expenditures and corporations are not the only ones that are going to be hit, that the individuals are also going to be asked. I suggest to Senator Koch that if, as he said, individuals are making money they are going to pay for it. I suggest to you also that if corporations are making money, they will also pay. If not, they won't. It does seem like that we have bent over from the original quite a ways on corporations to the 35 and that it is reasonable and would hope that you would leave it there and not accept the amendment that is now before you. Thank you.

SENATOR CLARK: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, it would be nice if we did not have to subject the corporate community to any tax whatsoever because if we did not have to subject the corporate community any tax whatsoever we could then say that in no way that the State of Nebraska could create any impediment to job creation, to business development and to all the other good things that we think are necessary for our society. But so long as the State of Nebraska has an individual income tax which almost all other states do have, I think there are five that do not have an individual income tax, it is necessary for us to have a corporate income tax. Why? If we did not have a corporate income tax but only had an individual income tax then the methodology for avoiding taxation for individual earnings would be very simple to do. An individual could conduct virtually all of his or her affairs through the corporate structure and receive from that corporate structure a large earnings and the like without really being subjected to the basic individual income tax. So