

business through the corporation thereby avoiding individual income tax rates. I think anybody involved with the corporate structure knows that that absolutely isn't true because, in fact, to get money out of that corporation, not only have you paid the corporate tax rate, but then you are taxed on the dividends and then dividends are the only way you can get the money out of the corporation and you are taxed again on the dividends. Now one other way is of course through salary but then again you are taxed again on the individual rate so, in fact, you are taxed whether you take the money out by dividends or by salary. Of course a third alternative is to leave the money in up to a certain level and then you are hit or penalized with an excessive earnings tax so it is a three way negative shot to somebody that is trying to operate out of their corporation. Now I come from a community where we have a very aggressive industrial contact team and we really kind of like corporations and as a matter of fact, the bigger the corporation, the bigger business we are able to land in Columbus or Platte County, the better it is because our community pretty well knows that if that corporation is viable and profitable, that it's providing one heck of a lot of jobs and those jobs of course result in other economic activity, whatever purchases those workers want. I think it is a poor time to penalize corporations at a greater level. In fact, we just sort of are singing hosannas in Columbus right now that Behlen has finally agreed or in a position to put 300 workers that were temporarily furloughed back on the payrolls. I think this dramatically illustrates the point of how vital and how important these corporations are, these businesses are to the State of Nebraska and to our community. As a matter of fact I think I just got a letter from the diplomats where a trip to Minneapolis is being planned to try and lure corporations to the State of Nebraska. Now if we increase this corporate rate significantly I would dare say that that is going to be a negative thing in behalf of trying to lure these corporations back to Nebraska. In fact, on the floor of this Legislature just a year ago, Senator Labeledz was making trips to California trying to retain and keep another corporation in the State of Nebraska. So I think that the 30% amendment, even though I have real problems with increasing it to that level, at least it is the best game in town, the best game I can see right now, the best game before us, I'm going to support Senator Koch and Senator Vickers and let it be known that the representation from Columbus is certainly pro business, pro corporation and we like them.

SENATOR CLARK: Senator Newell.