

March 29, 1982

LB 693

SENATOR CLARK: Senator Carsten's amendment is adopted. Now on the bill as amended, Senator Carsten.

SENATOR CARSTEN: Mr. President, members, I would now move LB 693 as amended to E & R Initial with the understanding that on Select File we will put that clarifying amendment on which I agree does need to be done. Thank you.

SENATOR CLARK: Senator Burrows, did you want to talk on the advancement of the bill?

SENATOR BURROWS: Yes, Mr. Chairman and members of the Legislature, I urge the body to support LB 693. It really changes very little because it does not require anything that the Governor can't presently do under existing law. The Governor and the State Board can meet and have the authority and really the requirement to meet and adjust rates under present law but this has not been done during the last six months. The State Board has not met and adjusted rates to pick up the loss, the \$50 million really, in total corporate and individual income taxes that is being lost by maintaining the same rate. So I think it is time that the Legislature speak and call for and require responsible action to require the State Board of Equalization meet and do what would be good judgment, common sense, and responsibility for the state by adjusting that rate when a federal tax change comes in and changes the revenue sources of the state. Simply meet the Board and adjust the rates so we maintain a reasonable and stable dollar flow in income for the state to pay its expenditures out of. It is just plain common sense to pass this bill and go a little further in requiring that the State Board of Equalization act responsibly.

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I, in my own mind, I guess I have the last two bills we have discussed kind of switched around. In the one case I thought that the flexibility that the Board of Equalization had was sufficient, and in this case, I think that it didn't need change and again I think that there is no need for change. What this bill does basically is take flexibility away from the Board of Equalization. It says that they shall change the rates when certain things happen and I suggest to you that this kind of mandatory language can get us in trouble. Let me suggest one hypothetical to you. Let's say that we project our revenues in April but we are not too sure about them. They may be soft. And let's say right after that comes a federal tax increase. So according to the bill as proposed the Board of Equalization would