

and they are going to be very negative to any increase in the taxes and yet the Warner amendment would propose just that. Now I think it is similarly true that they are also misinformed in the case of tax cuts. Governor Thone for the last two years has cut taxes, the income tax rates from eighteen to fifteen percent, and has yelled loud and clear that he has reduced taxes in the state. Well, of course, that is not the case either. He has reduced the tax rate but taxes have not decreased in this state. They have increased about seven percent a year is what our budget increases in the state government. So he has been claiming all along to have cut taxes. That is not the case and now for him to turn around and say, well, an increase of one percent isn't really a tax increase, it is a tax rate adjustment would be very difficult for him to do and I think that is one of the reasons he is here today and in a special session trying to cut the budget because to explain all that loses the impact of what he has been touting himself for accomplishing over the past two years. So that is why we are here today. We are here to try and deal with the problem that could be taken care of outside of these chambers. The Board of Equalization has responsibility they haven't fulfilled and we are now placed with the burden of trying to come up with a solution to the problem. I think the Warner amendment is not that solution and I think the Thone proposal is not that solution but there is another amendment which is going to be proposed by Senators Beutler, Landis and myself which I think would better deal with the problems. Now let me tell you this right now. I think one of the major problems we are having is that we are overlooking the fact that there are a lot of local governments in this state that are able to get by much better than we are in state government in Nebraska because we are much more restrictive in a sense with our seven percent self-imposed lid than they are with the seven percent lid law we passed a couple of years ago. They are in a situation where they are going to be totally freed from any impact on the budget cuts in the slow economy that we are facing here in the State of Nebraska. They have property taxes.

PRESIDENT: One minute, Senator Wesely.

SENATOR WESELY: Thank you, Mr. President. They are being funded by property taxes, thus, they are not really going to be affected by slowdowns in sales and slowdowns in income in the State of Nebraska such as state government is. So they basically are going to be exempted from the fact that our economy has slowed down. I think if our economy has slowed down and we are tightening our belt in state government as a result, local governments ought to tighten their