PRESIDENT: May I introduce two groups of guests we have. Senator Morrissey, in the north balcony, has eight Sacred Heart senior students from Falls City, Nebraska, with their teacher. Would you folks please stand and be recognized. And Senator Kristensen has a group of visitors in the north balcony from Wilcox, Nebraska, with their instructor. Would you folks please stand. Thanks to all of you for visiting us today. Senator Nelson, please, followed by Senator McFarland.

SENATOR NELSON: Mr. Speaker, members of the body, this is one of these times that I'm really very hesitant to get up and speak, particularly since Senator Chizek isn't here. In fact, I almost didn't speak for that reason, but I guess that is not good legislation when we feel too guilty about one of our colleagues not being here to defend his position.

PRESIDENT: Senator Nelson, may I interrupt you? (Gavel.) May we please have it quieter so we can hear the speakers. Thank you.

SENATOR NELSON: We had this bill last year, almost very similar to it excepting it was changed a little bit this year, more to the satisfaction of the Internal Revenue Department and so on. The bill has a lot of merit, but, again, when we pass legislation down here, and I see a lot of it this year, I particularly got hammered on my nursing bill because of the fact of need. This bill, I have to agree with Senator Moore, it is not designed to help the middle class or the person that is in 20 or 30,000. They can if they have the extra $2,000 to put away for a simple 3 percent or $63 a year. Agreed, that tax interest accrues tax free too, but the problem of it is and relating back to the problems associated with the Revenue Department, going back and collecting taxes, the administering the program, the processing, going back on those tax returns for at least six years back become almost monumental. This year the bill is better in that respect but still has concerns. I don't know, I'm assuming most of you know but in October of 1988 Congress did pass a bill exempting interest on U.S. Series E savings bonds if the bonds are transferred to an eligible educational institution as payment of qualified educational expenses and this will become available after January 1, 1990. There is a phase-out on incomes above $60,000 to 90,000 or 40 to 50,000, I think it is, or 55 for a single, but if you look at the fiscal note on this, $4 million fiscal note, I would say