

contribute and have that beneficiary for a student going to an educational setting in the State of Nebraska. You know, we keep talking about need base, well, this is something different than need base. The needy students, we have those programs and this will not detract from, will not have anything to do with those. This program is really that slice of people that we have not done anything for, that many times are in a crisis situation and then the student is in a difficult dilemma relative to being ready for school, they don't qualify for any of the financial aid or very little of the financial aid that is out there and they need this pool of money to attend school. So this is where it is directed and I think it's probably an area that we should focus on. It's...these people may be the most needy at this point. We've got 90,000...or 90 percent of the taxpayers in Nebraska are filing returns with taxable income of less than 40,000 right now. There are some of those people at that upper end. They are not qualifying much on the financial aid, but they are also not an income category that they find sending a student to school at all very comfortable relative to their financial situation; those people that are in that 30 to \$40,000 category are basically needing to consume the majority of that to live in the standard of living that they expect they should want to. So this is where this plan really fits best.

PRESIDENT: Thank you. Senator Warner, please, followed by Senator Hall.

SENATOR WARNER: Well, Mr. President, I hadn't anticipated speaking on this issue either today. But last night those of you who watched or heard about the program on ETV brought it to mind what has been bothering me about this bill, and not just this bill but several others. Last night two or three people who testified brought to our attention again what has occurred essentially since 1967. More than one person talked about the problem of increasing exemptions, narrowing tax bases resulting in a smaller base and a higher rate and fewer people. And quite a bit was made to what had happened in the area of property tax. The thought has been bothering me a lot ever since we passed LB 773, and I voted for it with some reluctance. But now that we had our own income tax system the potential to begin to do a variety of exemptions was going to become very real. If there was any one single policy that was prevalent throughout the entire Legislature in '67 was...and when we went to the sales income tax, that to have an equitable tax system you had to have minimal exemptions, virtually none, on both sides. And