

With his amendment, he makes the bill a little better by limiting who can take advantage of this bill to those people that have an income of \$60,000 or below, if they are married, or \$40,000 or below if they are single, I guess I, after visiting more with Senator Chizek, since he has been back, I still have concern over that in Nebraska we must work as we can to reach our goal in 1991 of \$5 million in total student aid, but I realize that LB 140 is just one piece of the puzzle. It is one piece of the puzzle, as Senator Withem and Senator Chizek have mentioned to you. I still have some philosophical concerns, I don't know whether that is the right thing to do, I guess, but for the time being, I will be supporting Senator Chizek's amendment this morning, and providing that, indeed, the funds of LB 140 does not compete with our efforts to raise the state student aid to both our public and private sector institutions, I guess given even the fact that Senator Chizek has agreed to work diligently to increase the funding for that fund, I guess I will, basically, withdraw my opposition to LB 140 here this morning.

SPEAKER BARRETT: Thank you. Senator Nelson, on the amendment.

SENATOR NELSON: Mr. Speaker, members of the body, as you remember, the other day I, too, like Senator Moore, had concerns about this bill. The amendment has made it far more palatable but again I have concerns that it is not reaching the people that we really need, and that is the people that probably cannot afford to put the \$2,000 away. I have problems with eroding the tax base in this amount of money, and yet I don't fault that it is a good idea. Many of the programs that we have are good ideas. I can't say that it is really helping people right now that maybe need the help with their education or so on. I might tell you another option that is available, that is to buy discount bonds. I can't tell you exactly right off what the name of the bonds are. That has slipped my mind, but, say, for example, you purchase a bond for \$250. Then that is actually a \$500 bond. You purchase that bond in the name of your child. They can use that funding wherever they want to go, and the income up to age 14 is tax free. Thanks, Brad, zero-coupon bonds, and the tax advantages to the grandparents or to the parents would far exceed what the tax advantages would be on this particular bill. Any child under 14, amended by the 1987 tax laws, they can defer \$1,000 of that income before having to have it taxed, and it would be taxed at their parent's nominal rate which would probably be the middle income tax bracket or