

is probably an appropriate amendment with regard to that issue. The amendment that he offers, as Senator Wehrbein stated in his opening, is one that was addressed by the Revenue Committee this year. It was a bill that was brought in by Senator Wehrbein that, and also, I think, Senator Schmit, that did just this. It would allow for those individuals who had purchased tax exempt bonds to be able to continue to have that ability. Okay, and these are bonds only that are purchased from municipalities outside the State of Nebraska. In other words, what we are talking about here are not Nebraska municipality...tax-free municipal bonds, but bonds that originate and that the money flows to municipalities outside the State of Nebraska. As Senator Wehrbein stated, this change was made in LB 773 two years ago, and it caught some people off guard. What they had to do, basically, was to either change their portfolio or hang onto those bonds, and many of them have hung onto them, and have been waiting for a point in time where they could, basically, dump those bonds. Okay, the arguments that were presented in front of the committee were one that the Legislature did not treat these people fairly. That argument possibly, I guess, is one that is difficult to deal with. It is difficult to argue. It was debated in a hearing. It was not something that came on as an amendment. It had full public hearing on the issue. It was a policy decision that the Legislature endorsed. We adopted it and said we are going to tax other tax-free municipal bonds because they don't originate in Nebraska. Nebraska, at that point, was only one of about four states that did not do this. Now we are with the other 46 or 47 that do tax municipal bonds that originate in another state. What you need to remember is that these bonds are not taxed by the federal government, so those individuals who have these do not pay any federal tax on them. The only tax that they pay on them is the slight income tax that would be placed on them by the State of Nebraska, as does, virtually, every other state. There are about four states or so that do not have this tax. What you also need to remember is that the State of Nebraska does not generate enough tax exempt bonds, municipal bonds for the market that is out there. It is impossible. We could not do it. It doesn't happen. It did not happen prior to the passage of LB 773. There never has, never will be, enough of these bonds in existence. So there were people who were buying these bonds from other states. They do that today. They continue to do that. There has been no slump in the sales. You talk to the folks in the brokerage houses, and there has been no slump in those sales. They are buying them. They are buying them because they want to have