

SENATOR HALL: Thank you, Mr. President and members. I rise in support of Senator Wesely's amendment to the committee amendments. The amendment basically allows for the reduction in the brackets, as it would, under the original intent of LB 739, but it does one other thing. It puts into place an increase in the fifth bracket. If you remember back in 1987, when LB 773 was discussed, there was movement and amendments to try and do this same thing, and that was because what 773 did was take and make the fourth and fifth brackets the same. So once you hit that \$90,000 income level you just paid the same rate, no matter how much you made. And we did that because at that time, I guess, the federal government was doing the same thing and it was the proper thing that business thought we should do, and those who fell in that income category felt we should do. But we talk about 773 being a tax increase, for some it was a tax increase, and we clearly all understood that. We all knew that we were voting for a tax increase. We might...It was also a tax change, but it was a tax increase. We called it a fudge factor, we called it other kinds of things, but it was a tax increase, plain and simple for those people in the two brackets, because I offered these same amendments that you see in 739, these same brackets, and they were not supported by some of the people who were today supporting LB 739 and will work to defeat the committee amendments. The bracket or the fifth bracket, the increase, is an increase this year, but in 773, in 1987, there was a reduction in taxes for those who were the most wealthy in the State of Nebraska. The effective tax rate, prior to 1973, was approximately 9.50 percent, 9.50 percent. We reduced our top bracket more than even the federal government did in relation to the federal taxes. We gave a tax cut to the very wealthy. Now that is fine, I voted for LB 773, and I intend to vote against LB 739, unless a fifth bracket, to offset the reduction in the two middle rates, is there, because we need the income, we need the revenue. It's not an issue of wouldn't we like to give a tax break, sure we would. We talked this morning and yesterday about reducing property taxes. We'll talk about raising sales tax when those bills come around again, and probably other bills. We would all like to give a tax decrease, it is in our best interest, it's in our constituent's best interest, and I guess it makes us popular back home. But the question is, can we afford it? And I would argue that unless you put the funding mechanism in with the fifth bracket, so it's basically a hold-harmless provision, we talked about hold-harmless throughout the discussion, revenue neutral on 773, that did not happen. Unless you put that fifth bracket in to