

increase taxes in 773? Yes. The people expected it. We totally revamped our income tax system.

SPEAKER BARRETT: One minute.

SENATOR HALL: We took a very tough stand on the issue and I commend the Governor for bringing that bill to us, because that was a tough thing for her to do. And I commend her on some of the other stands she's taken. Now that doesn't mean I like the particulars, but I commend her for it because those were gutsy things to do. That doesn't mean that at this point, two years later, we should go back and change that system. We should not. We should, if we do anything, correct it yes, reduce them a little bit, but then put that fifth bracket back in there, because, Senator Langford, the Governor agreed to having those last two brackets the same. Go ask Don Leuenberger, go ask Hans, but she agreed to them, and that is why they passed in the form of 773 that they did. Now that's under the bridge, that's over with. We should not change our tax system, unless we change and put that higher bracket in so that we regain or retain, excuse me, retain...

SPEAKER BARRETT: Time.

SENATOR HALL: ...the income, the revenue that we're currently collecting. I would urge you to adopt the committee amendments, it still means a \$6 million loss. Thank you, Mr. President.

SPEAKER BARRETT: Thank you. Senator McFarland, followed by Senators Hefner, Smith, Korshoj and Rod Johnson. Senator McFarland.

SENATOR MCFARLAND: Thank you, Mr. Speaker and my fellow senators. Following up on my thought a few minutes ago, the idea is if there has been a tax increase the people of Nebraska expect any tax reduction to go to the people that paid the increase, that's only fair, that's only equitable. But LB 739 does not do that. It does not direct that tax relief at the middle income people who paid the tax increase. It directs it instead at an overall group of people, some of whom may have had a tax increase, some of whom may not have. In general, I think it's fairly acknowledged that 773 increased the rates on the middle income, decreased the rate on the upper income bracket. And I was interested in Senator Hannibal's comments about looking at the record and the transcript of 773. If this