

\$40 million increase as a result of 773. Even figuring in the standard deduction proposal that reduced taxed in '88, you still had a \$26 million increase. Then you figure up the first three months of this year, you come to a total increase in taxes, and a General Fund surplus attributable to that tax increase, of \$73 million. Those are very, very accurate figures from the fiscal office. I don't think anyone can really dispute them. And here we have a tax proposal that says it's going to be \$18 million, and that's going to make everything fair and it's going to give tax breaks to some of the people who already got tax breaks under 773. I just don't think that's a wise piece of legislation. I don't think it's a fair piece of legislation.

SPEAKER BARRETT: Time.

SENATOR MCFARLAND: And I don't think it's good tax policy for the State of Nebraska.

SPEAKER BARRETT: Senator Hefner, followed by Senator Smith.

SENATOR HEFNER: Mr. President and members of the body, I was going to call the question, but I thought I better not because I think this needs just a little more discussion. There have been several senators come over to me and says, what does this amendment do? So I want to explain it to you one more time. Senator Hannibal did a good job, but... This brochure that he passed out, with his initials on it, and on the first page this amendment would omit the first part, on top, low marginal tax rates, \$6.4 million. It would eliminate that part. It would also omit the higher personal exemption, which is 4.98 million, for a total of a little over \$11.8 million. The only thing that would remain in the bill, if we adopt the committee amendments, would be the bottom two, which is adopt dependent child care credit of \$6.4 million, and enhance elderly credit for \$200,000, for a total of \$6.6 million. I just wanted to make that a little clearer to the body. But today I want to be up front with you. The Revenue Committee, two years ago, held a long executive session on LB 773. Maybe I should go back and say we held a long public hearing on it first. And so we really dug and dug into this. And we were assured that it would be no tax increase. But then the Revenue Committee decided that we should have a little fudge factor, so we put a fudge factor in, and this would amount to between 7 and 10 million dollars. And that is the only increase that I knew of at this time. It's true, at the same time we were going through federal tax reform, which