

probably will not receive much support. But I would not be surprised if down the road that when times are different and income is not there that a proposal such as the one that Senator Wesely offers would not be something that, without the personal exemption inclusion, would not be something that this body would not address. I think that it makes sense if we are going to reduce the two middle-income brackets that we do tack additional cost or additional increase to that higher bracket of over 90,000. Senator Hannibal makes the argument that possibly there was not an increase there. I would disagree and I would argue that the many of the testifiers with regard to the Revenue Committee and the change that had taken place argued that based on what took place at the federal level, that their overall tax bill was about the same but it was not necessarily reflected in their state tax...

PRESIDENT: One minute.

SENATOR HALL: ...liability and there is a difference there. There was a reduction in the amount of taxes that were paid by that group of individuals, clearly there was. That I don't think can be disputed. The issue here is, do we adopt Senator Wesely's amendment? I hope you give it every consideration. Thank you, Mr. President.

PRESIDENT: Thank you. Senator Nelson, please.

SENATOR NELSON: Mr. Speaker, Senator Hall asked almost the same questions I was going to, how much are we talking about here and what is the difference and is this increase and decrease somewhat revenue neutral. I will have to say that if there was ever a criticism of our tax change, and that was our reduction in the personal exemptions, and the increase in personal exemptions doesn't affect me but it certainly does the family with four or five children. So I can certainly appreciate the value in that. And I can also, on the \$90,000, I would support the increase in tax rates, but there is a consideration as Senator Hannibal said, the capital gains tax was changed, the accelerated depreciation. Many, many things were changed on the federal level that does affect those people in the \$90,000 or the \$45,000 tax range too, but if you check with other states, our 6.5 is very nominal but primarily it does make sense and with that I won't take any more time, and as I said, I wanted to get some figures on what we were talking about here. Thanks.