

What has come from the discussion is that maybe half of the increase in the income tax is still attributable to the income tax rate increase as much as the economic well-being of the state. So, even though the figure that I have is \$27 million is needed to return to the taxpayers in income tax increase, we still may be wrong, we may again be underestimating the actual increase that we had under LB 773. So I contend again a greater increase is being proposed under LB 739 is in order, and greater equity in the tax system is in order and both of these are achieved by Senator McFarland's amendment. I would support it.

SPEAKER BARRETT: Thank you. Senator Hefner, would you care to discuss the amendment?

SENATOR HEFNER: Mr. President, members of the body, I rise to oppose this amendment because this amendment is the same...is the same bill that we had before the Revenue Committee in LB 783. If my memory serves me right, I believe there was seven votes to kill the bill. The Revenue Committee didn't feel there was enough support to bring it to the floor, so we killed the bill. And here Senator McFarland tries to amend it into LB 739. I think that LB 739 is in the proper shape now, so we should advance it to Final Reading and then go forward with it. We talk about equity in taxes, well when you talk about equity in taxes it depends upon who is paying those. And it's real tough in setting tax rates. We do not know exactly how much money we're going to raise. Senator Wesely brought up a point that economic forecasting board is meeting this afternoon, and they're raising their forecast again by millions of dollars. So you can see that the experts are even off millions of dollars. I realize that we need to come back from time to time probably and fine tune our state income tax laws, but I feel that the bill we have before us now is the right way to go, and so I would urge you to vote against the McFarland amendment.

SPEAKER BARRETT: Thank you. Senator Hefner, I'm pleased to advise that you do have some guests in the north balcony, 24 seventh grade students from Holy Trinity School in Hartington with their teacher. Would you people please stand and be welcomed by the Legislature. Thank you, we're pleased to have you with us. Senator Hannibal, would you care to discuss the amendment?

SENATOR HANNIBAL: (Response inaudible.)