

us at this time to come in, make those changes, as 739 does, and allow for a sustained revenue reduction over at least the next two to four years. I think what we need to do is allow the income tax system, as we have it, and, yes, there was a tax increase and, yes, I voted for it, and, yes, I think it was the appropriate thing to do, and I still do. I think that what we need to do as a body is say we did not make a mistake, that we projected to increase our revenues and we need those as a state. That is a difficult thing to do, but I think it is the prudent thing to do at this time. To make the change that we do in 739, which is minor but is still a change in our revenue with regard to future revenue growth, I think is irresponsible at this time. I would urge the body not to advance the bill, although I think that the feeling of the body is probably otherwise. I would hope that you would look at the last five years with regard to the difficulty in revenue projections, the difficulty in budgeting and vote not to advance LB 739. Thank you, Mr. President.

PRESIDENT: Thank you. Senator McFarland, please, followed by Senator Hefner.

SENATOR McFARLAND: Thank you, Mr. President, fellow senators, especially Senator Beck, I appreciate your comments. I, too, have been receiving a number of telephone calls and letters complaining about the unfairness and inequities of the present income tax system in the State of Nebraska. That unfairness and those inequities are a direct result of LB 773 which was passed by this body two years ago. The primary complaints I'm hearing at this time are that citizens of our state are paying their income taxes, particularly this past April 17th when the filing deadline occurred, and time and time and time again taxpayers from the State of Nebraska receive a refund on their federal tax return, and then when they figure out their state tax return, lo and behold, they have to pay money into the state in order to meet their state tax burden. That is completely unfair to them, it is something that wouldn't have happened under the old system. It was something that wouldn't have happened had we enacted some of the proposals that other senators and I have brought before the Legislature and before the Revenue Committee. I don't think anyone doubts that income tax relief is needed. The question is which way are we going to go about it. There are good ways to provide income tax relief and there are bad ways to provide income tax relief. The good way to provide such relief is to provide that relief to the persons who paid the tax