

those 30 percent they don't end up really with the full dollar for dollar property tax relief we're talking about here. And in that handout it shows how, if you ended up with \$155 in tax relief from LB 84, you'd actually end up with \$51 of that going back in higher state and federal income taxes, and then the increase in property taxes is about 4.7 percent a year, and that would leave \$86 in increased property taxes. You'll actually net out at \$18 for that particular example, which you'll actually see in reduced taxes. So the point is that by reducing property taxes for some individuals you actually increase the income tax and you don't end up fully recovering and having the tax relief that you're talking about. In addition, as Senator Chambers is trying to point out, the real problem here is you have an increase in the income tax in the middle income that is generated something like \$70 million more dollars, that's about, as I said, 70 million of a 300 million dollar surplus could be attributed to accumulated income tax increase, primarily coming from middle income taxpayers, income taxpayers. Now we're turning around and taking the money from those middle income taxpayers and we're turning around and giving it back through a 90 some million dollar proposal that will not only include those individuals but also go back to the ag land owners. And these individuals do not pay that much in income taxes, for a number of different reasons, and so aren't really the reason that we had a lot of the income tax revenue increase. There's also the question about valuation for ag land, although that is changing now with LB 361, and it's also going to go back to the business community where 775 has provided tax breaks to some, personal property exemptions have been in place for some time, and the 4-R suit is exempting other properties. And it's also again really a shift that we have to understand concerning some of us, that we're taking away income tax increases from the middle income that have been paid in, and turning around and giving it back in a distribution formula that doesn't help the middle income nearly as much as it should. And I'm here suggesting that the middle income is who we need to protect, that they've paid the increase in the income taxes and they ought to receive more of the benefit from that. This proposal does not accomplish that goal. Again, I also emphasize that property is not owned by everybody. Thirty-two percent of our citizens are renters, and for those 32 percent there is some trickle down possibly going to reach them through the 8.5 percent reduction, but it's not necessarily so. So for those 32 percent, 32 percent of our citizens, they are not going to realize a sort of relief that we would like to see, because I frankly don't