

given you one scenario, Senator Warner has given you the other one. I think it's a...it's not the major deal that it's been made out to be. I mean 77 million dollars, yes, that is a major deal, but it can be addressed in one of two ways, either in a two-year phase in with the property tax and the state aid benefits, or by putting the operative date of the income tax back one year. And it's a choice you'll have to make. Whatever choice is made, we'll go on from there.

SPEAKER BARRETT: Thank you. Before recognizing Senator Warner, I'm pleased to announce that the entire Lincoln delegation has 15 Boy Scouts from Cornhusker Council here in Lincoln with us this morning, in the south balcony. They are working on their citizenship merit badge. Their counselor is Rod Armstrong, of Legislative Research. Would you folks please wave and be recognized by the Legislature. Thank you. We're very happy to have you with us. Thank you. Senator Warner, please, followed by Senator Hall. Senator Warner.

SENATOR WARNER: Well, again, I guess I maybe would have another question from Senator Moore so I can understand the issue, if...I would agree that phasing in is one option. What I'm not sure if I understand is how the equalization aid formula would work with a phase in on the income tax, because, as I understood the equalization aid, one of the measurements for ability to pay is the amount of the income tax that is raised locally, that becomes a calculation on equalization aid. If there is no income tax locally, then in effect that returns to our current system of distribution of state aid by using property tax levy alone, or amount of property tax raised as the trigger as to how much equalization aid one receives. And so I guess my question is, if you have, and I assume you have, in the concept of phasing over two years, if you have...if you could tell me how the equalization, as a practical matter, could work without any income tax as part of the accountable receipts to the local school district.

SPEAKER BARRETT: Senator Hall. I'm sorry, Senator Moore.

SENATOR MOORE: I'll answer Senator Warner's question when my time comes up, unless he...

SPEAKER BARRETT: Thank you. Senator Hall.

SENATOR HALL: Thank you, Mr. President, members. I rise in