

system to achieve those ends, then it makes good sense for me to say, that income tax system ought to be the fairest income tax system that we can possibly have. And when we enacted LB 773 I supported, I think on every single one of those bills, the McFarland amendment that he has attempted over the years and I applaud him for it and there are times that I have offered the amendment myself, because, ladies and gentlemen, our current income tax system is not fair. It is not fair for Tim Hall and his wife, who last year in 1989 paid in the highest tax bracket...I have three kids and live in a modest home, but yet because my income last year, which was the best it has been in a long time, I'm in the highest income tax bracket in the state. I am in the highest income tax bracket, I'm in there with any number of robber barons that are in the Omaha area, any number of the wealthiest men and women in this state, any number of the largest landowners, the corporate executives, the richest of the rich and I pay the same rate. Ladies and gentlemen, that is not fair. That is not fair to have an income tax system that stops its progressivity at the point in which you have someone who is at a modest income, pays the same rate as someone who has an unlimited income and in some instances that is the case. In this instance, with the McFarland amendment, what you do is you do provide some progressivity into our system. You do correct an error. You correct a mistake. You do right or wrong and that wrong, I think, is just as much a wrong as our school finance mechanism has been in the past. It is just as important to make this change a part of 1059, I would even argue maybe more so at this point in time, because if we feel that it's appropriate to use the income tax system as a funding mechanism to fuel this change of school finance, then I think it's only proper and right to make sure that the funding mechanism, the choice with regard to the income tax system be one that is as fair as possible. Senator McFarland's amendment, I think, brings something to 1059 that to date it does not have and that is an income tax system that reaches out and touches those who can best afford to pay. One of the biggest arguments in support of 1059 is that property is not a sign of wealth. Property is not a sign of wealth. Property is not a sign of wealth. Well, what is a sign of wealth, ladies and gentlemen? Income. Income is a sign of wealth and we only recognize income in this state to the point of about \$45,000...

SPEAKER BARRETT: One minute.

SENATOR HALL: ...depending on your if you're married or not and