

if you file jointly or not. And then income stops. It no longer is a factor in our income tax system. I say that it should be a factor at a higher level. I think Senator McFarland's amendment is a fair one. It does not gouge the very rich. It does not put in five or six additional brackets. It changes the top bracket and it changes it in a very fair and very progressive way that will not drive any of those robber barons from the state. You won't see CEOs packing up because of a slight change in the fifth bracket. This is just as important because it is a sign of wealth. Income is a sign of wealth. We need to recognize that. Just as property is not a sign of wealth, income is. Senator McFarland's amendment recognizes that and for those who can afford to pay, we should adopt it.

SPEAKER BARRETT: Thank you. Senator Hefner, followed by Senators McFarland and Wesely.

SENATOR HEFNER: Mr. President and members of the body, I rise to oppose the McFarland amendment. I don't know how many times this pony has been around the track but it's quite a number. I'm keeping score now and it will probably be around again. But, Senator McFarland, I would suggest that this is a school finance bill and if you want to introduce an income tax bill, I would suggest introduce a bill, have a public hearing on it and let the committee go from there, and I believe you have done that before too, so that wouldn't be new to you. But when the Revenue Committee worked on LB 773 we spent long hours on it and we didn't have a perfect bill. We realized that and we came back I think two more times to fine-tune it. But I think the way our tax brackets are now, it's fair and equitable to everybody. We also need to remember that we have five states in our nation that do not have state income tax and two of those, I believe, two or three border our own State of Nebraska and I'm very familiar to South Dakota. South Dakota does not have a state income tax and here in Nebraska we're trying to raise the top bracket. I certainly don't think it's right and especially not at this time. Let's have a public hearing on it and get both the proponents and the opponents on it. But this is a school finance bill. If we're going to approve this, let's use the same tax rates and the same way on the sales tax, let's leave the sales and income tax the way it is now and go forward. If we can support this bill, go forward, and if we can't, well, then we'll have to vote against it. But I don't think we should be changing the tax structure at this time. Thank you.