

because that's when it has to happen. That's when the tax rates need to go into effect to generate adequate amount of money because you're going to have the offsetting property tax decrease statewide this year. If you adopt the Conway amendment, you're still, you know, arguably 20, \$30 million short. We don't know that yet. We can still address that. But I will support the Conway amendment. It covers about half the gap left by the Revenue Forecasting Board when they met in February. It covers about half that gap. It gets us awful close to the desired \$211 million and it does that by raising both sales and income tax rates in July. And, like I said, if you...ye, of weak political stomach, don't enter here because it's a tough one, it's a tough decision that has to be made and I encourage the adoption of the Conway amendment.

SPEAKER BARRETT: Senator Schmit.

SENATOR SCHMIT: Mr. President, first of all, last things first, Senator Scotty Moore. It doesn't take any strong political courage to spend other people's money. That's the easiest thing in the world to do. We do it around here all the time. We do it with impunity and we do it with some degree of regularity. I recall in 1987 this Legislature enacted LB 773 without my vote, I might add, and without yours, Senator Moore. LB 773 they said was necessary, we were told, because without the passage of 773, which adjusted income taxes upward and downward, more upward for lower income people and downward for upper income people, without that bill high level executives would leave the state. Is there someone here today who can tell me what impact this income tax increase will have upon those individuals who we were trying to entice to remain in Nebraska by the passage of LB 773? And I recall at that time we were told that the passage of 773 would save an income earner in the \$150,000 bracket \$850 a year. If he made a million, it would save him 17,000. What impact will this tax have upon those brackets and then, incidentally, upon those in the \$30,000 bracket? How much more will they pay or is the income tax increase an across-the-board increase? If so, would it then serve to negate some of the benefits, I guess you'd call them, of 773 to high income earners? Does someone want to answer that question? Senator Withem.

SENATOR WITHEM: What was the question, please.

SENATOR SCHMIT: Will the income tax increase embodied in LB 1059 serve as a discouragement to those upper income category