

flip side of that argument is is that if you don't allow more money to come into the track, basically, what you do is you strangle the track through its increased operating costs, its increased desire on the part of the fellows, the horsemen and the breeders who are in the industry, to have those purses that attract the good horses which, in turn, attract bettors to those operations. It is literally a Catch-22. In many cases, if you don't do that, you don't have the purses, so in turn you don't...you aren't able to compete for the good horses who are out there. With the track that goes on line I think in mid-May down in Kansas City, Kansas, we will see possibly, and this whole formula is predicated on a 20 percent loss in the handle for the industry in Nebraska. Now that is the one variable that I can't attest to. It is what the industry feels will take place. If that happens, if there is a 20 percent reduction in the overall handle, there is clearly no way, based on the numbers that they have shown us, that they can continue to operate without the increase takeout. They feel that it is necessary just to compete with the industry as it is today, let alone once the Kansas City track comes on line. With that, the provisions with regard to the takeout are that they would be divided amongst the track 1 percent, the horsemen 1 percent, and then the breeders 1 percent. So the 3 percent increase in those areas would not all go to the track but they would be divided in equal parts, 33-1/3 to each of the...those three entities. With that, I don't think that there is anything else in this section of the committee amendments that I am overlooking. I also included for you the parimutuel tax since 1990 (sic) and the explanation of what it has raised, what the projections are with regard to the taxes that would be under the committee amendments, and I think...oh, the other provision is this, which is an important one. It says that the...anything that is raised, the handle, any handle over...

SPEAKER BARRETT: One minute.

SENATOR HALL: Thank you, Mr. President. ...\$80 million will be taxed at 4 percent. If you remember in '87, we put that ceiling at \$100 million. The committee amendments reduce that. The argument being there is that if you are telling us that you are going to have a reduction by 20 percent of your overall handle, then let's reduce the ceiling so that if that doesn't take place, if there isn't a reduction that you feel will take place, that a 4 percent tax will kick in at anything over \$80 million. With the handle in 1989 of approximately \$96 million, the