

people have made money that they pay property taxes. They pay property taxes because they have property. Whether it is mortgaged to the hilt, whether they have cash flow to support it, whether they have a dime in the bank, they have got to pay property taxes unlike an income tax. The tax base that we are going to authorize this to be shifted to, if we don't do anything, is the local property tax base. This amendment to LB 7 says there is a better option. There is an option which has historically been underutilized, which by any standard measure is the least used tax base available to us that has, not only a potential for use, but a pattern of unuse, if you will, compared to any of the other pockets we could reach in to pay the 12 million bucks, and that is the corporate income tax. You have before you two things that I have passed out to your desks just this morning. Let's take a look at the first one, which is an analysis of the corporate income tax in this state. The first page is an examination of the corporate tax as a percentage of our state General Fund. How much does business contribute to our state General Fund? That amount is going down. Remember Ernie's notice that he sent out the first day, that the economy according to the administration is booming. If it's booming, take a look at what is projected to happen for corporate income tax in this state. It is projected to go down as a percentage of a contribution to running the state's business. Take a look at from '86 to '91, right in the heart of the boom, right in the heart of expansion, the corporate contribution to this state goes down. Now, it is true that their amount goes up, that is to say the revenues go up, but what is actually taking a bigger portion of the piece of pie? Personal and individual income fueled by 772, 773. Also the sales tax, it is taking a bigger, bigger portion. As a matter of fact, this percentage that we are looking at, 6.3 of contributions from corporations, is not only low for our state. It is low compared to other states. Jump two pages in, and take a look at the history of most other states, as a percentage of all revenues, corporations are generally at 9.4. That is the most recent evidence we have. In other words, it is a third higher for other states than it is in Nebraska. We don't tax our corporations by any standard of comparison in an overly burdensome way. Is that true of our property tax? No.

PRESIDENT: One minute.

SENATOR LANDIS: We do overburden our property taxpayers. That page that we passed by, page 2, shows you that the corporate