

destined for much more life than that anyway. I don't know if it can survive the reorganization of taxes here today or not, but I do believe that the concern the Legislature shows in shying away from increased sales tax and increased income tax is not reflected among the population. It is always amazing to me how much farther ahead of the issue the people are rather than we are, and the people have told me, time after time after time, don't play games with us, put it on sales tax and income tax. If you get either one of them too high, we will vote you out of office and find someone else who will find a better solution. That isn't maybe the best solution to me, but it is one which works pretty effectively. So, at this time, I will support the Moore amendment, and I really want to support the next one, which I think is most critical and which, very well, Senator Hall, could solve your problem in a more equitable manner than what we have proposed thus far.

PRESIDENT MOUL: Thank you, Senator Schmit. Senator Hefner.

SENATOR HEFNER: Madam President and members of the body, I rise to oppose Senator Moore's amendment. I think that we adopted an amendment just previously, Senator Hall's amendment, that will do the job for us. And I realize there may need to be a little fine tuning to it yet, but I think we are about there. But last year, remember, we raised state sales tax 25 percent, state income tax approximately 17.5 percent, so that is a terrific increase. Like even in your medium bracket income taxpayers, this with the two years total together, well, this would be a 21 percent increase, and for the next bracket, a 33.7 percent increase, and the top bracket, a 43.7 increase. I believe what we are saying to these people, hey, go out there and make more money so we can tax you more, and you know what we are going to do, we are going to destroy the incentive for people to go out there and work and be more productive and make more investments. And, of course, if we can get them to make more investments, we have economic development, and that is one of the reasons why we have such a low unemployment rate in Nebraska is because we have a lot of economic development going for us in our state. And I don't think we want to destroy that, Senator Moore. So I would be against increasing the state income tax right at this time because we just increased it 17.5 percent last year. Besides, Governor Nelson has said he will veto any sales or income tax increase. Senator Moore was worrying about our cash flow. Senator Moore, eventually, that money will be there. Eventually, local government will get that money and so I just