

higher, but when they went through the forms, it became obvious that it was not nearly as significant as originally anticipated two years ago, but, more importantly, at least I have become convinced that it was as a matter of policy consistent to enact this kind of legislation with the way a sales only formula should be implemented. I am not sure why it was done this way in 1987 in 772 at all, and I haven't found any reason for not having been put in effect originally without the throwback rule, but, nevertheless, that was how it was done. It has been obvious for some three years now, that it would be appropriate to look at because of its impact. However, we were reluctant, in fact, wanted to increase the corporate income tax generally. I don't think the reduction this represents is significant enough to accomplish that need to increase the rate to make up for the revenue. Finally, I, based on the testimony, there was certainly indication to me that this source of revenue would...certainly was not going to grow, and probably tend to decrease, in any event, as expansion did not occur, some operations that was conceivable to move in fact would move, and this particularly perhaps is true on the eastern border where they can move into Iowa very easily if they had assets that were easily disposed on this side of the river. But I think it is appropriate to advance the bill and continue further discussion on the tax policy. Obviously, we are going to have a lot of these discussions over the next two, three years, and from my viewpoint, at least, 559 is consistent with what ought to be long-range good tax policy, and I'd hope the body would advance it.

SENATOR CROSBY: Thank you, Senator Warner. You've heard the closing. The question is LB 559 to advance to E & R Initial. All those in favor vote aye, opposed no. Record, Mr. Clerk.

CLERK: 28 ayes, 4 nays, Madam President, on the advancement of LB 559.

SENATOR CROSBY: LB 559 does advance. Mr. Clerk, do you have items for the record?

CLERK: I do, Madam President. General Affairs Committee reports LB 851 to General File with amendments attached. Senator Lynch, amendments to LB 530 to be printed; Senator Day to LB 592; Senator Kristensen to LB 490. That's all that I have. (See pages 1737-38 of the Legislative Journal.)