

SENATOR BRASHEAR: Senator Hall, members of the Legislature, I'd like to yield my time to Senator Warner.

SENATOR HALL: Senator Warner, you're recognized.

SENATOR WARNER: Thank you, Senator Brashear. I would rise at this point to oppose the amendment at this point. I do want to indicate, however, that during the course of this year's discussion, as well as a year ago when the same kind of proposal was in the Revenue Committee, you will recall last year the estimated reduction in revenue was somewhere between 9 and \$17 million, we usually use 13 million as an average. And then after that, as I indicated on General File, there was an amendment put into the appropriation bill that was offered by Senator Abboud that did a study, and that estimate that was used a year ago was then reduced down to 1.6 million that we see in the fiscal note this year when they went back and did an actual review of tax forms. But the...during that time in the committee, in fact a year ago we adopted an amendment in committee that did exactly what Senator Beutler is talking about, it was an increase in the corporate income tax to make up for that loss of revenue, which was then estimated to be at the level of \$13 million. And certainly one of the reasons for doing that was again for the reason that other sectors would, assuming the same level of spending, would be paid proportionately more of the cost of local government than the great amount of aid that we send back to local government. The one fallacy in the argument that we used, of course, when we adopted that amendment in committee was that for that to be the right thing to do you have to make the assumption that it was wrong...that it was right before we made the change. That is that the right share was coming from everybody. It's true that the tax, Nebraska's corporate income tax is at somewhat less, somewhat of a lesser rate than most other states. That's a policy decision that we've made as a matter of policy for a number of years. And one certainly could argue that one way or the other if they wished to. But the other thing, the concept that Senator Beutler is talking about has concerned me for a long time, it's concerned the Revenue Committee. And some of you may recall, I think when Senator Hall was Chairman of the Revenue Committee, we enacted legislation that called for an instant study of, by sector, throughout...of all taxes collected in Nebraska. That's been moving very slowly, but it is progressing. Of those...of the three principal forms of taxation, sales, income and property, the income incident