

SENATOR LANDIS: Thank you very much, Senator Hall. At the time we were looking at a change to a sales only formula. Don Leuenberger represented the Orr administration, and I was saying to them, well gosh, isn't there going to be some serious problems with a sales only formula? And they said, well, it's...it creates a different set of winners and losers. But one of the virtues of it, Dave, is it will be able to do well on the throwback rule. Part of the salesmanship of the corporate income tax change, under the Orr administration in 772, was that the throwback rule would do well for the state. The Orr administration's corporate income tax law was basically written by the Omaha Chamber of Commerce. For the Omaha Chamber of Commerce to have written the corporate income tax law under the Orr administration, got us all to pass it, and in part at least to me justify the terms of it by the existence of the throwback rule wait for a period of time and then come back and cry foul, poor me and wish to undo the throwback rule which was part of its rationale, that is to say the Orr administration's rationale for why we should go to a sales only formula in 772 is a renegeing of sorts. Certainly not from Senator Warner, certainly not from Senator Brashear, in fact the parties have come and gone, but basically the Orr administration and the Omaha Chamber of Commerce worked hand-in-hand in the creation of 772. The Orr administration, in this case, either as principle or as agent, I suspect it was as agent, not as principle, at least to one member of the Revenue Committee said, don't worry, one of the best things about our bill is that we'll be able to make money on the throwback rule, which is why we should go with 772. If you undo the throwback rule you will continue what has been a 15-year tradition of shifting taxes from businesses to individuals. If we do not replace this money from the corporate sector it will be about a \$2 million shift to individuals, basically, in the sales and income tax, and as Senator Jensen pointed out the other day, in that case we don't do all that well around the country. I know that Senator Brashear is concerned about how we stand in our economic development, but this chart that Senator Jones indicated shows that the individual bears, in relationship to individuals in other states, a higher burden than our corporate citizens bear in relationship to other corporate citizens around the country. In other words, our corporations do better than our citizens do in a relatively mix against all other states, and what are we doing? We're exacerbating that by making our corporates even better and our citizens even worse when 559 is done. I don't expect 559 to fail to pass, it's going to pass. This has been