

income tax liability? And I hope the answer is no. I hope that we will understand the need to tighten up this tax loophole. I don't think, as we discussed LB 775, anybody foresaw, or at least publicly expressed, the possibility that we could have individuals making this amount of money escape any sort of income tax liability. We did know that there would be companies under the corporate income tax that would be able to escape any corporate income tax liability. That was expected. We didn't expect as many as there are now currently able to escape a corporate income tax. But in looking over the transcripts, looking over the debate, remembering what I recall, having been part of that, I don't think anybody anticipated the sort of pass-through capabilities that we now have in place for these companies. And so unbeknownst to me, and maybe to many others, we have allowed a situation someone making more than \$1 million...in the case of individuals making more than \$5 million, those individuals on average made \$20 million, \$20 million in one year and didn't pay a dime in state income tax. There were seven individuals of that status. I don't think that's tolerable. I don't think that's something the people will tolerate. I don't think that's something this Legislature should tolerate. The solution to that is to place a minimum tax so that when all these loopholes combine, you've got...you've got the loopholes created in a sense through the structural changes in corporations that allow them to pass through their taxes to the individual returns. On its own, on its face, it looks, and most likely is, acceptable. You combine that, though, with the other tax credits that we have, the tax incentive, the tax breaks that we have, and you combine that and you have this creation of millionaires paying no taxes. It's the loopholes like this that have been placed in our tax code, both at the state and the federal level, that infuriate the public. Infuriate them. That's why they were willing to listen to Steve Forbes talk about a flat tax, it eliminated a lot of these loopholes. That's why, if you talk to people, they'll tell you, they don't like the current income tax system because their fear is, it's not the progressivity, it's the loopholes that end up throwing out the progressivity in that tax and end up with the wealthiest among us, the richest among us paying very little taxes, or in the cases I've cited, no tax at all. Now I've read some of the stories about some of these millionaires being angry when they hear how I and perhaps others in this Legislature want to raise this issue, how they have a right to those credits. And just like a company, they should