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LB 407

raised. It will be revised downward, but I think \$140 is a conservative figure. Now if you want, in my opinion at least, to reach any sort of reasonable level in this balance between cuts and revenues, you've got to do the next item. You've got to extend the LB 1085 sales tax through the end of the biennium. If you do that in conjunction with Senator Brashear's bill, assuming you don't cut anything further out of Senator Brashear's bill, you're going to be up to, you see, the \$320 million of revenue level and maybe a little bit more, because that \$180 million figure on the LB 1085 extension does not include the sales tax on the additional items in Senator Brashear's bill. So then if you...but taking that figure the way it is, if you then wanted to get up to the \$350 million level, you could take a small bill, a corporate registration fee bill. I passed out to you the introducer's statement of intent on that. It's a relatively easy piece to do because all it is, is a fee increase from the last time the fees were increased in 1982, but that would raise an additional \$11 million over a two-year period and could be a corporate business contribution to this whole solution. Then if you took \$19 million out of the Reserve Fund, you get to a total of \$350 million, which matches the gap that we have. Now in that...in playing around with this whole scenario, there's one little piece that's not even mentioned, and that's Senator Hartnett's suggestion that not only do we do the LB 1085 income tax increase, like we have done in Senator Brashear's bill, which takes us halfway back to the 1997...1996 income tax, you can go a little further back towards the 1997 income tax increase. If you went all the way back to what we did in those days, you have \$92 million additional revenue that you can play with somewhere in this scenario, or any portion of that \$92 million, because the income tax rates can be increased incrementally to make up a specific amount. So there are reasonable means of reaching the \$350 million. If you do this scenario, I wanted to show you that the state would still have in reserve funds,...

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: ...two different reserve funds, the 3 percent reserve, \$153 million, plus a rainy day reserve of about \$99 million, in other words a total of about a 5 percent