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LB 285, 379

largest city, Omaha was 30th. However, and this is important...I think Senator Jensen would say this is reflective of his phenomenon...for a family of \$150,000, we were 22nd, in other words higher. And the reason is Nebraska's income tax system is progressive and it hits the rich harder than most other states hit the rich, and that's true. We are a state that makes it...that has a strongly progressive system. Only Minnesota in the Midwest has a system that rivals or, in fact, exceeds our progressivity. So we are in the heart of the old Populist style here of income taxes. However, the whole rate, itself, is in the middle. We're in the middle. We are \$120 million shy on our budget shortfall, in the event we were to pass the bill we just did; 235 million bucks is a significant piece of heavy lifting, as Senator Chambers called it earlier today. Leaves us \$120 million shy. Let us imagine we do nothing more. We're going to have \$120 million of cuts. Where will the \$120 million of cuts come from? There are two likely places--the University of Nebraska and, secondly, state aid. And what is state aid? It's property tax offset. If we can't work on that \$120 million shortfall that we now have, in the event you assume that LB 285 might be acceptable to the body, we got 120 million bucks and a bunch of that is going to be in property taxes for schools, property taxes for schools. Because we will cut state aid, there will be pressure, I think, to lower or to allow local rates to go up, and we are trading now essentially for property tax dollars. The question is, what will we trade for our property tax dollar? I will trade an income tax dollar for a property tax dollar. It's why I'm going to join Senator Hartnett in voting for this measure. I would make that trade. I think it's a fair thing to do. In the event Senator Chambers looks the other way and we're able to move the liquor tax tomorrow, we would be at about \$105 million. But of that \$105 million of shortfall, my best prediction is that a large percentage, and probably more than half, will be state aid influenced aid cuts. And we are now talking about one tax base versus another. I support Senator Hartnett because I support the income tax as the tax of choice rather than the property tax, because that's the decision that we are heading for at this moment. Thank you.

SPEAKER BROMM: Thank you, Senator Landis. Senator Synowiecki.