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FLOOR DEBATE

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some of these places, there can be some difference on the county level. A lot of your counties rely on inheritance tax money for their emergency funding that they use. I haven't seen anything, any numbers on there on what effect that will have on our county level. I think at the present time we're still into paying off our nuclear waste debt. We have a few other debts. I think this is probably something that would maybe work in the future, when money was a little more plentiful. And I admire Senator Connealy for saying that he didn't want to bring this forward. So my suggestion would be to probably bracket this until later on in the session, to see how we come out, and spend time and work on it then. But at the present time, I'm quite reluctant to support this bill. Now, if Senator Pam Redfield wants the rest of my time, I'll turn it over to her if she so desires.

SENATOR CUDABACK: Senator Redfield.

SENATOR REDFIELD: Thank you, Senator Loudon. I appreciate the time. I'd like to finish up on the packet "C," and explain what Clara would actually get out of the current climate that we have within the federal tax code. She actually would receive an annuity of \$800 on this proposal. And even if she were to put that money in a CD now at 5 percent, which is hard to get, she would only be getting \$500. So she'd actually see her income increase each year by \$300. And in addition to that, \$114 of that would be tax-free money. She would get an income tax deduction from the feds of \$1,392 for the deduction of \$4,641. And if LB 28 were to pass, she would also receive a \$4,000 credit on her state income taxes. So in other words, over half of the money that she would be giving away would be paid for, in essence, by the taxpayers. And she would not see her income decrease each year; she would in fact see it increase. Now, the only loser in this whole picture here is actually the heirs, who would not get the value of that \$10,000 CD when she passed on. But for Clara, in her lifetime, this is a great deal. I have also distributed to you a couple of pages from the IRS publication 526. It's marked "B." And on the second page of that hand...or the back of that handout, at the top of the page you'll see something about a remainder trust, which is also one of the qualifying plans in LB 28. It is actually listed as (a) on page 2, a charitable remainder trust. And it tells you