

May 7, 1975

been using is less than that, which was fourteen million. Of course, at that time we did not have . . . I think Senator Carsten had requested it, but they had not been able to turn out this information. There is no inconsistency between the two figures at all. When I gave you the fourteen million I explained on the floor, I believe when I talked to you, that we were talking about the adjustment in the corporate rate together with the increase in the individual rate from 10 to 12. The figures are consistent.

SENATOR BARNETT: I've got to disagree with you. I want you to stay on those same figures you are. Under the 12 percent we have a figure of forty-two and a half million. Right?

SENATOR WARNER: Right.

SENATOR BARNETT: OK, now we are only increasing the corporate tax 20 percent, as you and I both know, if we go to 30, over the 25. Isn't that correct? We only increasing the corporate tax 20 percent?

SENATOR WARNER: Yes.

SENATOR BARNETT: Alright, 20 percent of forty-two million is roughly eight million dollars.

SENATOR WARNER: So you're adding that eight million, plus the seven or eight between that figure and the ten percent which we are collecting now. Is that right?

SENATOR WARNER: No, no. You have two increases.

SENATOR BARNETT: Right.

SENATOR WARNER: One is going from ten to twelve in the individual rate. That increases the collections from corporations. We also increase the corporation tax by going from the present 25 percent to thirty. You add the two together, you'll have approximately a 44 percent increase. Either one separately is in the vicinity of 20 percent.

SENATOR BARNETT: Ok.

SENATOR WARNER: But you have two of them.

SENATOR BARNETT: With that explanation out of the way, can we go back and carry the budget? We've got two different budget figures, as I understand it. One from the executive branch and one from our own staff. Can we do either one under a 12 percent?

SENATOR WARNER: Based upon, to repeat again we're talking about collections for calendar year 1975. Based on every piece of information that I have seen using Department of Revenue figures for the receipts why it would require this year, including the reserve and express obligations, almost \$346 million. Using their figures we have \$326 million available by going to 12 percent. Including the passage of LB 123 the collections will be \$361 million, which is \$16 million more than we need. If 123 would fail to pass collections by the Department of Revenue's figures would