

full well going to take credit for stopping the spenditure, and give the Legislature full credit for raising the taxes, neither of which do I desire to have. Let's wait and see what the cash and the expenditure level ends, then we'll go from there. I have an item for Mr. Pieper which I would like to be inserted in the record.

PRESIDENT: Senator Stull.

SENATOR STULL: Mr. President, members of the Legislature, I rise to oppose either motion. We certainly will not be in any better position to . . .

PRESIDENT: We're on Final Reading Mr. Pieper.

SENATOR STULL: We'll not be in any better position to deal with that after we reconsider those bills that I understand are coming up to be reconsidered because we're out of time. We just as well read it now and get it over with.

PRESIDENT: Senator Keyes. Senator Warner, did you want to be recognized again?

SENATOR WARNER: Only to add a couple of things to Senator Lewis' comments. One is that the Legislature is not increasing the income tax from 10 to 12, but rather lowering the Governor's request of 13 to 12. It's a significant difference, although I know that point seems hard to get across. Number two, I see no reason to hold the bill because as it is written it authorizes an increase up to 12. It does not require 12. If nothing is enacted that requires the 12 it can remain at 10 or 11, whichever the Board of Equalization feels is necessary based upon their estimated revenue receipts from the two sources of taxes, plus the general receipts.

PRESIDENT: Would you close debate please, Senator Keyes, by way of reply.

SENATOR KEYES: Lieutenant Governor, I'm going to make one of the shortest closings I've ever made. Senator Warner is right. We are cutting one percent income tax off from what Governor Exon asked for. We can do that because LB 123 went through, although Senator Carsten did, with the help of the Legislature, take \$5 million out of that. We also are saying to the State of Nebraska, by this bill, that if the expenditures and the spending is not curtailed there's only one place that the Governor has to go to get the money, that's off of the sales tax. I consider the sales tax the most regressive tax of all taxes. It's just as bad as the property tax. Income tax, whether you're a conglomerate, a small corporation, or whether you're a private individual, if you don't make money, you don't pay it. If Senator Warner had said that the sales tax can never go over 2 1/2 percent I would have believed him and I would have went with him. This is the way it is. I ask you to bring the bill back, indefinitely postpone it, and then when the Governor of this state finds out that he cannot cut the spending, and if he can then he can call us into session.