

PRESIDENT: We will give it a try. I have a number of lights on. I do see five hands. The question is shall the debate cease. All those in favor vote aye, opposed vote no. Question is shall debate cease on the Newell amendment to the committee amendments on LB 27. Please record your vote. Voting on the motion to cease debate on the amendment under discussion. Clerk will record.

CLERK: 26 ayes, 7 nays to cease debate, Mr. President.

PRESIDENT: The debate has closed and Senator Newell is entitled to close.

SENATOR NEWELL: Mr. President and members of the Legislature, my proposal is to raise the corporate income tax by 50%. I want to say to this body that I have listened to the arguments and I can hear and have heard no argument that would favor LB 27 as in its present form. Senator Hefner indicates and I think it is very interesting, if not incredulous, that corporations in this state want to pay their fair share of taxes. But at the same time because LB 27 is before us, the truth of the matter is the corporations in this state want to pay their fair share of taxes, but, they think their fair share of taxes ought to be reduced sizeably in comparison with the individual. This proposal is not here to ask for a tax increase. They are not saying we want to pay more because we know we deserve and we need to pay more, they are saying, you know, we ought to be treated specially, or we ought to be exempted from any increases. Now I'm going to provide this body with some figures which I think are important for us to remember, important for this Legislature to remember, because, it is in fact, the truth in regards to how the corporate income tax and the corporate community, how good a tax payer they have in fact been in recent years. In '78-'79, not too very long ago, corporations paid 9%, a mere 9% of the state's general fund. In '81-'82 the corporations paid 7.4%, a declining amount, they moved from 9% to 7.4 from '78-'79 to '81-'82. With the projected increase of 20% that is separate of the fact that we were irresponsible yesterday and we will probably end up going to 21%. At 20% corporations would be expected to pay 6.8%. Now members, that means that we are going to decline again even without LB 27. We are going to see in a four year period of time a reduction from 9% to 6.8% even if we raise the corporate income tax along with the individual income tax. I think it is important to notice some other things also. Nebraska ranks 34th in thousand dollar increments of income, 34th in terms of income.