

income. One of the things that no one has talked about on this floor at all, and I would just like to have you discuss it a little bit, and perhaps maybe Senator Vard Johnson or Senator David Landis, who know those issues very well, would explain what impact the federal tax changes has had on the upper six-figure income individuals. And it would appear to me that we have totally ignored the benefits of the federal tax change. And when we change the exemption at the state level back to the \$1100 per individual and ignore the substantially greater exemption of the federal government, that we are, in effect, increasing the taxes in a very innocuous way for the low income individuals. While we haven't even talked about the considerable tax break that the better blessed individuals have enjoyed in the 200 to \$250,000 bracket, I guess in 19 years this is the first time we have ever even acknowledged that people earn that kind of money, that there was that kind of money being, I don't know whether it's earned or not, Senator Ashford, but at least it's being collected, and I am sure it's being earned. But we talk about that now rather casually. I can line you up a dozen, 25 people out in my territory that will work for that kind of money and I would say earn every bit of it. I'm not saying they don't earn it. I'm not saying it's not justified but before we jangle about the 5 or \$6,000 tax break we are giving at the state level, I think someone ought to just lay out for the record the exact amount of the tax reduction that will be benefited to those individuals in the quarter million dollar tax...quarter million dollar income bracket by the federal income tax cut. Senator Vard Johnson, do you have those figures at the tip of your tongue by any chance?

SPEAKER BARRETT: Senator Johnson.

SENATOR V. JOHNSON: Accountants are now believing that because of the loss of certain deductions and because of the 100 percent tax treatment for capital gains, there will be an increase as opposed to a reduction at the \$250,000 level.

SENATOR SCHMIT: Is that why the State of Nebraska then under LB 775 intends to come in and create the tax break or loophole, or whatever you want to call it for the capital gains benefit?

SENATOR V. JOHNSON: No, it's not.

SENATOR SCHMIT: But we do give a substantial tax break for capital gains under 775, do we not?