

the individual or group of individuals that own two dry good stores in two different towns is likely to be able to sell both as a corporation. They may well find themselves in a position where they have to sell them separately. And in order to qualify and maximize the value of the lifetime's work, it seems to me that to put them through the hoops and have to try and organize themselves so they qualify under the provisions of the law which...proposed law which is probably impossible as a practical matter, that it would be more in line with general tax policy...good tax policy that the benefit is uniformly provided to others in a like situation. So, with that, Mr. President, I move adoption of the amendment.

SPEAKER BARRETT: Thank you. I would like to take a moment to introduce some guests of Shirley Marsh and also guests of Professor and Mrs. Frederick Luebke of UN-L, under the south balcony, Mr. Rudolph Giese and Hildegunde Giese from Osnabruck, West Germany. Would you people please stand and be recognized. Thank you. We're delighted to have you with us this morning. Discussion on the Warner amendment. Senator Ashford. Senator Wesely. Senator Vard Johnson, any discussion on the Warner amendment, followed by Senator Nelson.

SENATOR V. JOHNSON: Mr. Speaker and members of the Legislature, I am going to speak in opposition to Senator Warner's amendment. I suspect Senator Warner would oppose his own amendment too if he really thought he could do so. Senator Warner does not want to exempt any kind of capital gain transactions from the Nebraska income tax. He made that very clear. On General File, Senator Warner voted to eliminate the limited feature of LB 775 that dealt with capital gains. Senator Warner then stood up a few minutes ago and said, I would not be offering this amendment to LB 775 had the Nelson amendment prevailed on General File, but it did not prevail. So now Senator Warner is offering an amendment to you and to I that is a high cost amendment. I, personally, think that this amendment would probably result in an annual loss to the State of Nebraska of about \$10 million in revenue which is \$4 million more than it's going to cost to renovate the Cushing gymnasium and coliseum in Kearney, which is...which would support a number of academics at the University of Nebraska at Lincoln. This amendment is being offered for the purpose of, in a sense, saying, well, if you are going to offer a limited capital gain exemption for people who can retire from corporations for which they work, then you ought to offer a much broader capital gain exemption for anybody who has acquired capital assets over his or her lifetime and has decided to