

May 23, 1973

PRESIDENT: The question is shall the Carpenter amendment be adopted. All those in favor vote aye. All those opposed vote no. Voting on the Carpenter amendment to 526 on Select File. Voting on the Carpenter amendment. Have you all voted? The clerk will record.

CLERK: Vote read. 6 ayes, 24 nays, 19 not voting.

PRESIDENT: The motion is defeated. Do we have other amendments now to 526.

CLERK: The next amendment, Mr. President, is offered by Senator Carpenter. On Page 17,--read.

PRESIDENT: Senator Carpenter.

SENATOR CARPENTER: Mr. President, I move for the adoption. In this field, if you don't know it, the Tax Commissioner of the state of Nebraska does not have adequate personnel in order to audit the corporate returns of particularly those people located outside of the state of Nebraska, basically. Obviously in the field of personal returns, the federal government does that for us for the most part because we apply percentage of the dollars we pay to the federal government in lieu of the payment of our state personal income tax. And that, within itself, causes the state of Nebraska a lot less expense and lot less responsibility because the federal does it, probably, better than we would ever be able to do it. So we get in the field of corporate returns and the general rule of thumb. They tell me in the Tax Commissioner's office for every dollar they have spent, they have recovered four dollars. Now the federal government has a different ratio. For every dollar they spend in the area of auditing income tax reports, as I recall, it is sixteen dollars. Now if this body wants to leave the foreign corporations for all practical purposes go completely unaudited

(End of Belt #11)

(Start of Belt #12)

and this state does not receive a fair share of their income tax according the federal and the combination of state law, that's our responsibility. It seems to me this morning, that you are really not interested in doing anything to improve the tax system insofar as making it more equitable and to close these tax loop holes that so many people say so much about but do so little about. Now I have been after the state Tax Commissioner's office for a number of years in order to get them to bring in a request for an appropriation to get sufficient amount of money in order to hire qualified people, basically, to go outside of this state and within the state only on income taxes in order to see if it wouldn't pay off better than they think it will now. It's true. They are a part of what is called, at least it is a nationwide organization in which they have as I recall 30 or 40 auditors in which for all practical purposes all the states retain them to do in a small part what they haven't been able to do themselves for whatever the reason might be. Now we are talking about an auditor, for example, you couldn't get for eight or nine or ten thousand dollars a year because this is a highly specialized field and when you go out to audit the Sears Roebuck, for example only as an illustration of things in a like position of income above that enumerated in this bill, you just don't send a boy to do a man's job and if you do, you only do it because you don't want to do it in the first place. Now this administration has never asked for sufficient amount of money needed by the Department in order to do what I think they would like to do. Now this is money that probably is already due us without any change of the law. It's only a matter of saying