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business recognizes those extra expenditures whether they be cost of living or whether they be a sales or an income tax. I wonder if Senator Anderson would yield to a question? Senator Anderson, did I understand you properly to say that income from certain farms where there is an absentee owner that there is no income tax paid, did I hear or understand you correctly?

SENATOR ANDERSON: Yes, I'm talking about people who own farms in Nebraska who don't live in Nebraska.

SENATOR BURBACH: Senator Anderson, those people are obligated to pay in Nebraska income tax for income no matter where they reside in the State of Nebraska. This is one of the fundamentals or is incorporated into our income tax law in 1967 that that money is due and owing to Nebraska. This morning we adopted a \$500,000 increase for additional auditors and if you or I know of any of those cases, it is your and my obligation to report to the State Tax Commissioner those violations because that money is due and owing. And any corporation which does business in Nebraska must identify their source of income in Nebraska and also pay that income. And the same applies to a non-resident property owner.

PRESIDENT: Senator Marsh.

SENATOR MARESH: Mr. President and members of the Legislature. I support state aid to education but I cannot support LB772. The reason is because my district is penalized by this bill. The average mill levy for the 32nd district is about 32½ mills. And we get reduced down to about 27.73 which is about a 5 mill reduction, about say 16%. And I thought this bill was supposed to cut property tax 50% so you can say why I can't support this bill. I imagine there are some of you that are good politicians. You have a large city in your rule district which gets a good healthy reduction in property tax and that's where the votes are. If I were a good politician I probably would look at a larger city in my district which gets a nice reduction too but I think we should also look at these small schools. We talk about equal...equal education but are we providing equal education for these small schools when we leave them with 34.64 mill levy like one town in my district. I wonder if Senator Warner would yield to a question. What does this bill do to Waverly? Can you tell me what the mill levy was before the \$55 million is applied and what is the mill levy after this LB772 will be enacted?

SENATOR WARNER: I don't have the answer on the tip of my tongue. I can look it up for you, Senator Maresh.

SENATOR MARESH: Well, approximately. I don't to 1/10th of a percent but approximately you should be able to tell me what it'll do for your district.

SENATOR WARNER: I would assume without looking at it, Waverly happens to be one of the school districts with a relatively high assessed valuation per pupil. There are a number of schools in my district I know have a bigger benefit than the Waverly district. I suspect their levy will be somewhere in the vicinity of 23 or 25 mills.

SENATOR MARESH: That's what it'll be after it's applied?

SENATOR WARNER: That's just off the top of my head, Senator Maresh. I can look it up if you like. I would point out,