

SENATOR CARSTEN: Senator Cullan, the first substantive change removes the corporate tax. It does use the half and half distribution formula. It provides for a growth clause that is based on valuations, valuation increases in personal and real property as is certified by the Department of Revenue to the Governor and the Board of Equalization and to the Legislature, which the Legislature may use to increase the funds from the previous year to..up to that amount. I think that basically is the content of the amendment.

SENATOR CULLAN: Senator Carsten, I thank you very much for your explanation. Members of the Legislature, I rise in opposition to Senator Carsten's amendment. I have heard some talk going around the floor of the Legislature that this is a compromise and it is certainly not the type of compromise that I could support and I don't see it as much of a compromise as all. It does eliminate that portion of the corporate income tax but that is not what is in LB 691 that bothers me. Take a look at the distribution formula, take a look at that escalation factor. I would like to bring up something that hasn't been mentioned in this point and time. We heard Senator Newell gnashing his teeth for a long time today about how everyone is so poor in Omaha and all of the problems in Omaha. I thought that farmers were the only ones that were supposed to complain, but I guess we don't have a monopoly on that anymore. The Omaha. . . I would like to mention the Omaha city sales tax and how that affects this little issue. You might notice that the formula is based upon valuation increases. So this valuation increases in the City of Omaha, they can increase and they can bring in more state dollars but they don't have to raise their property tax to get those state dollars. They can get them because their valuation increases and because we have given them a larger sales tax base. So what have we given them? We are giving them a good formula and then we are giving the city additional sales tax base that also allows them to bring in more dollars. I think that this is a terrible bill. I think that this is no compromise. I think that we can sit here all night if we need to. We don't have to give in, we are not that hungry, we can stay here, we don't need to buy something, in my mind, that is not a compromise at all, but a capitulation.

SPEAKER MARVEL: Senator Warner.

SENATOR WARNER: Mr. President, I am going to support Senator Carsten's amendment. I voted to kill LB 691 for a variety of reasons, one of which was building in a