

SENATOR CLARK: The next resolution is 236.

CLERK: Mr. President, LR 236 offered by Senator Fowler, Beutler and Burrows found on page 951 of the Legislative Journal. (Read.)

SENATOR CLARK: Who is going to handle it? Senator Fowler? Senator Beutler.

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, for those of you who didn't catch the Journal page number that is on page...it starts on page 951 and the body of the resolution is on 952. Basically as you are all aware the Board of Equalization sets the tax rates in the State of Nebraska and the Board of Equalization of course meets in November of every year and then they meet at the end of each legislative session and then they are authorized to meet on a number of other occasions and one of those occasions, and this statute is being handed out to you by the way. It is #27-1501. One of the other times when the Board of Equalization can meet is when there have been changes in the Internal Revenue Code, the federal Internal Revenue Code or changes at the federal level, any United States law changes relating to income taxes. Now obviously when this statute was drafted the members of the Legislature realized that, and anticipated what is happening today, that is, if there is a change in the federal income tax law since our Nebraska taxes, Nebraska income taxes are piggy-backed upon that law, a reduction for example results in a reduction of Nebraska revenues. We all know that. Now when this resolution was introduced a short time ago the tax commissioner, apparently speaking for the executive branch, indicated that the Board of Equalization could not meet. That is simply not the case and I would like to read the language from the statute to you. You can understand it as well as anyone. It says, "Within thirty days after receiving a report from the tax commissioner that there have been significant changes in the provisions of the internal revenue code and amendments thereto, other provisions of the laws of the United States relating to federal income taxes or the rules and regulations issued under such laws, that the Board of Equalization can meet." So right now Don Leuenberger, the tax commissioner, can issue a report on those changes and the Board of Equalization can meet to adjust the tax rates. The Governor has already indicated that the tax rates will be changed. We all are painfully aware that the tax rates must be changed, not only from 15 to 16 but from 15 to 17 and perhaps more, depending on what happens to the rest of the Governor's program. The point is this, that the general fund balance, that the cash flow situation in Nebraska is a serious one