

reduction of the tax rate increments, it changes the 1% to a ½%. Regarding the income tax, we would add then that this would be in effect when a change is made, that the Board of Equalization then would have or would be required to make appropriate action at the time that that affected the state. And secondly that we would add the emergency clause to the bill also. As you know, basically what this does is when there is a change in the federal income tax laws, and as since we are and continue to be based upon piggybacking on the federal, that it does impact the state when there is a reduction. As you recall, '82-'83 tax year, there is going to be a 50 to 55 million dollar increase which will raise the individual from 15 to 17%. We already are aware of that and that is going to happen. However, for '83-'84 is another reduction that is scheduled to take place July 1, 1983 on the federal level which again will have an affect on the state. This bill and the amendment was brought to us by the Department of Revenue and they feel that it is necessary that we spell this out in statute so that they may proceed in the proper way. I guess the basic question is if the income tax rate is changed that the impact of that as it relates to the sales tax and the 50-50 ratio be maintained and it is the intent of the bill as I understand it and the Department that it only relates to the time when those changes are made. With that, Mr. President, I would move for the adoption of the committee amendments.

SENATOR CLARK: Senator Beutler, on the committee amendments. All right, the question before the House is the adoption of the committee amendments. All those in favor vote aye, opposed vote nay.

ASSISTANT CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted on the committee amendments? Record the vote.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of the committee amendments.

SENATOR CLARK: The committee amendments are adopted. Now on the bill, Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, we have passed out to you a handout of what the present law is and what LB 693 with the committee amendments would be and I think it is pretty well self-explanatory and I would so move that LB 693 as amended be advanced to E & R Initial.