

it, then their decision involves all their employees. But if a school district out there is authorized to do it, and they say let's do it, it's inadequate. They are only one school district out of 900. All of them have to do it as a system, or they won't get the benefit.

SENATOR HABERMAN: How much fiscal impact is it going to have when it reduces the state income?

SENATOR WESELY: There is a loss of revenues, short-term, I don't know...

SENATOR HABERMAN: It does not show, Senator Wesely.

SENATOR WESELY: Yes, I'm looking at the note and I don't see any...

SENATOR HABERMAN: Why doesn't it show what the loss to the state would be?

SENATOR WESELY: I don't know that. There would be a loss to the state, short-term, but it would be made up for...see, the way it works, Senator Haberman, is you don't pay the tax now because the employer picks it up. So the employee doesn't show it as income. But when they get that additional income later on, when they retire, they will be paying the tax on it. So it is a deferred tax payment I guess, more of a forgiveness of tax payment.

SENATOR HABERMAN: I guess I have another question. The fiscal note says assuming the counties choose to implement the legislation. So on the fiscal note it is assuming they do, and you are saying that they will.

SENATOR WESELY: Yeah.

SENATOR HABERMAN: I don't...there is a discrepancy there.

SENATOR WESELY: Let me explain that a second. The counties are under one system except for...well it is an optional system, but there are like 30 some counties, I believe, under the system. Then there are Lancaster and Douglas County, each having their own system. Okay. Those other counties in that one system that are all together, the smaller counties, went, last year, through the process. They were mandated into it and they are now under the