

the Legislature this morning. Senator Landis, please.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, this final page on the handout that was given to you yesterday should be turned to and examined with care. I understood Senator Barrett to be saying leave things where they are, let them lay for a year, study the bill. What happened in 1983, the last year that we had statistics and evidence about what is going on in our bank tax situation? There was in this state \$183 million of net income to banks. These are profits. We tax profits. We tax on the ability to pay. There was \$173 million of taxable income, if you will, to the banks of this state, profits, from which we gleaned a total of \$800,000 of tax. That is less than a 1 percent effective rate of taxation. That is less than half of 1 percent of taxation. The average corporation in this state pays at an effective corporate tax rate of 4.3 percent of profits. The banks last year, less than .5 percent of 1 percent, less than half a percent. The difference between banks and other corporations is that banks pay one-ninth the taxes of other businesses. That is what happened last year and that is what apparently Senator Barrett thinks we ought to do this year as well. Keep it in place. Let the other corporate taxpayers pay nine times the effective rate that the banks pay. That is not satisfactory to me as far as leaving things at square one, and the study. What about the study? I will tell you who we were told should not study this issue, the Revenue Committee. The Nebraska Bankers Association said we weren't capable of doing it. The Legislature is not able, not capable. They don't think that this is a fair forum for the issue to be studied. You can read it in the paper. We said we will have a study. They said, no, we don't want the Revenue Committee to have it, don't believe in the Legislature being able to study these matters. We placed the entire agricultural land valuation question in the Revenue Committee. We have placed the matter of the insurance premium tax in there. We have placed all of our major tax rates but the bankers say the Revenue Committee is not able to do the job. Bill Barrett says let's study the issue. The bankers say don't let the Legislature study it. They don't trust us. Apparently it is too complex. I don't know who is supposed to write the bank tax law if it is not us? The bankers? What we have got is 619 which was a negotiated piece the last time and 619 has meant an effective bank tax rate of less than one-half of 1 percent. That is not an