

says you pay your tax based on income. Now savings and loans tend to be mutual companies, and as a result, their income tends to be low and, in fact, their income has been nonexistent for the last five or six years because they were married for a long period of time to some very low interest rate mortgages and they had to pay a lot of money, and they had to pay a lot of money to their depositors for the savings. So they have not had income, but when they have income, they are going to pay taxes. That is the Kopf proposal, when they have income, they are going to pay taxes. One of the reasons that the committee rejected the deposit concept for taxation is this. We have a lot of banks in Senator Remmers' district and Senator Nelson's district and Senator Haberman's district and Senator Lundy's district that are having a hard go today. They don't have the income, but if we tax their deposits, they have got to pay a tax to the state even though they don't have the income with which to pay the tax. So we said, hey, it is better for us to have a bank tax or a financial institutions tax law based on income because income reflects ability to pay than based on deposits. So that is the theory of the Kopf amendment. The Kopf amendment applies across the board to savings and loans, credit unions, and banks. It applies across the board. Senator DeCamp talks about the repayment of the illegally collected taxes. You are right. We collected taxes illegally. The banks didn't think it was illegal. The state didn't think it was illegal. They paid taxes on illegal income for years and years and years and years and years. They adjusted all their profit and loss statements to reflect the taxes. They operated as though those taxes were right and should be paid and, suddenly, like a bolt of lightning, the United States Supreme Court says, hey, states, the way you are treating this kind of income is illegal. It is unconstitutional. So what did the banks do? The banks did what any taxpayer has the legal goshgiven right to do. The banks applied for refunds and you and I have been shelling refunds out to the banks on the illegally collected taxes to the tune of \$30 million. Do you know what happened in Iowa? Do you know what happened in Iowa? The banks waived their claims for refunds. In Iowa the banks said, wait a minute, hey, you know, we don't need to claim the refund. Cripes, we paid the taxes. We thought the tax was a just tax. The fact that the Supreme Court says it is not a just tax comes as a bolt out of the blue to us. They waived their claim to a refund in Iowa, but not Nebraska. You know, that Nebraska Bankers