

addressed in such a way under the DeCamp amendment which I am piggybacking onto so that separately chartered or incorporated entities, so if they took on a failing bank and were incorporating those deposits into their total deposit portfolio, of those total truly identified deposits, they would be taxed on those.

SENATOR PAPPAS: They would be taxed to the total, then?

SENATOR CONWAY: On the total operation, right.

SENATOR PAPPAS: Okay, thank you. I think this is probably one of the most unfair type of taxation systems of the banks that I have ever seen. Banks, you know, they don't have the ability like savings and loans. Savings and loans can't by law, and they don't have to take deposits from political subdivisions. So savings and loans, you can't tax them equally because they don't have the deposits within their system that political subdivisions do. Secondly, when you talk about how unfair it is when a bank assumes a failing bank then under your procedure, they are going to be taxed probably at the 30 cent rate. At the same time, they are going to have to buy new signs and stationery and everything else and they are helping out a failing bank someplace to, you know, help the local community but yet we are not going to give them the benefit of just the 10 cents, you know, on that system you have got there. And banks also, when we talked about the muni. bonds and things like this, you know, banks have so many dollars in deposits. They are required by law to do so many things with them. And you know, if banks take some of that deposits money, they buy these muni. bonds and treasury notes, which a lot of them I think are tax free, so they wouldn't have to pay any income tax on them under the other proposal, and when they do that, then they don't have to loan it out to agriculture or other industry in the State of Nebraska that possibly could generate more activity and everything else. I think I am going to have to be very strongly against this particular amendment of Conway's and DeCamp's because I think it would create a terrific hardship on a bank because if they pay on their ability to pay, if they would earn it, they would have to pay it, but under your system here, Senator Conway and DeCamp, they have to pay that tax. If they acquired a deal, they would have all the expenses of acquiring a failing bank and still have to pay the 30 cents and forcibly or possibly could see bankers taking extreme hardship and taking salary