

means is that come next year it is going to increase the pressure enormously to increase the tax rate whether it be the income tax rate or the sales tax rate or both. If that is what you want to do, if that is the approach you would rather than to string it over say seven or eight or nine years or however many years they decide with a bond issue, with modest payments each year, that is the approach you can take obviously. But I think that that is not probably the most stable approach or necessarily the best approach. I talk about the effect being next year and the raising of the rates next year, but I predict to you that yet this afternoon, yet this evening that the tax rate bill will be resurrected, if you adopt this amendment and that there will be those in here that will argue for an increase in the sales or income tax rate based upon the theft from the reserve fund. That would be my predication. In any event I think that is the choice before you and I hope that you will stick with both the dollar amount and the mechanism in LB 713 for dealing with the Commonwealth claim rather than adopting the Johnson amendment.

PRESIDENT MCGINLEY PRESIDING

PRESIDENT: ...recognizes Senator Schmit on the Johnson-DeCamp amendment.

SENATOR SCHMIT: Mr. President and members, I appreciate what they are trying to do and I recognize the sincerity of that effort and I guess maybe I would have to say I even appreciate the fact that they are willing to put the money up front rather than to stick the state with the interest. There is a limit to what can apparently be done in certain respects because of the settlements that have been assigned. But in all honesty, I think that we are really perpetrating another hoax, because the people are going to wind up with little or nothing. Oh yes, we can reorganize Commonwealth, we are going to be back in business. How many of the 7,000 depositors are going to live to see any money? When that reorganization is taken care of, those special assessments, those taxes must be paid. It is kind of interesting that some of the people who bleed the longest and the loudest for those Commonwealth depositors over the last year and a half are just not going to put any money in. They are not going to help. Now Senator DeCamp had a proposal, I think it was less than a week after it happened, it certainly got some ridicule, no one considered it seriously, but I recall a