

February 28, 1986 LB 1114

with this kind of a change we now have to look to the retaliatory tax as the workhorse and the yield is \$10.3 million.

SENATOR BARRETT: Thank you, Senator Johnson, and because this is a very complex issue may I attempt to paraphrase what you are explaining to be the retaliatory tax? If a company, domestic company, a Nebraska company operating in New Jersey and New Jersey has a 2 percent tax then a New Jersey company doing business in Nebraska would also pay the same 2 percent tax. That is the retaliatory tax. Thank you, Senator Johnson. I would urge the body to adopt the amendment offered by Senator Johnson.

PRESIDENT: The Johnson amendment, Senator DeCamp.

SENATOR DECAMP: Mr. President, I support the amendment completely. I believe it will end the litigation and speculation and solve the problem. It was pretty well agreed to this morning, I think, among the various individuals that you had to go to a flat tax and that's what this does, repudiates completely the original idea of the 2 percent and the variables and I would suggest that if we advance the bill we also expedite the bill after adoption of this amendment, so I would also request unanimous consent that we do expedite the bill.

PRESIDENT: Thank you, Senator DeCamp. We'll make that announcement at the proper time. Senator Hannibal, do you have a comment on the Johnson amendment?

SENATOR HANNIBAL: Mr. President, members, I'd like to ask Senator Johnson if he'd yield to a question.

SENATOR V. JOHNSON: Yes.

SENATOR HANNIBAL: Senator Johnson, I am somewhat familiar with the retaliatory tax and I understand what you're doing with your bill. I understand the problems involved with the constitutionality or the concern with it anyway. However, a question that popped into my mind quite spontaneously as a matter of fact, having not done too much on this issue, as Senator Barrett said, the retaliatory tax is the area of law that we will be relying upon under this particular new proposal that you have before us and that will be that as long as New Jersey's tax stays at 2 percent, then our