

very close to Nebraska tracks. The State of Nebraska is not in partnership with Ak-Sar-Ben or Atokad or Columbus or Fonner Park or the Lincoln State Fair Ground. We are simply a tax collector. For a long time the parimutuel tax in Nebraska was 4 percent, but as Senator Schmit noted it was increased to 5 percent in 1973. The racing industry in our state is the primary tourist attraction for Nebraska. It is the primary tourist attraction for Nebraska. Given our great concerns these days over economic development, over jobs, over a flourishing economy, it would be a real breach of faith, so to speak, with our tourist industry, with the leading attraction of the tourist industry, if we fail as a state to take into consideration what we are learning from the national experts about what we can expect to occur in the next several years. And what we can expect to occur in the next several years is a decline in the gate and the handle. So that we may assist our industry, it's our local industry, we're not in partnership with it, it's a local nonprofit industry, so we may assure that industry some degree of economic health, viability and survivability, the Revenue Committee is prepared to effect a rate reduction only if that industry becomes a beleaguered industry and, in fact, its revenues fall. In other words, we did not simply bet on the come, we do not simply say, well we expect it to fall and so we're going to lower the rate. We said only if it actually declines shall the rate fall and I think that's a pretty sensible approach to a problem. If, as Senator Schmit says, the handle doesn't decline, then we remain at a 5 percent rate, no losses sustained, no big deal. It's only if there is a true absolute decline in the gate and the handle and in particular in the handle, will our own rate fall. And even when our rate falls, mind you, it is still higher than the effective national parimutuel rate. The effective parimutuel rate nationally is 3 1/2 percent, it's 3 1/2 percent. Even if our rate goes to a 4 percent across-the-board rate...

SENATOR HANNIBAL: Fifteen seconds.

SENATOR V. JOHNSON: ...it's still higher than the effective national parimutuel rate of 3 1/2 percent.

SENATOR HANNIBAL: Thank you, Senator Johnson. Next to speak, Senator Chambers.

SENATOR CHAMBERS: Thank you, Mr. Chairman and members of