

sales tax we are still going to set it. The Department of Revenue will not be able to set that. They are not setting it now. They are just following the guidelines such as Rhode Island has, and I feel it is very, very important. Thank you.

SENATOR LANDIS: Thank you, Senator Sieck. Senator Barrett, followed by Senator Warner.

SENATOR BARRETT: Thank you, Mr. President, members. I rise in total support of the Johnson amendment to strike Sections 1 through 5 of LB 1142 which would allow these 5 sections...the Nebraska tax commissioner the authority to increase or decrease, as the case may be, the Nebraska individual and corporate income tax rates for changes in federal taxable income, federal tax rates and changes in income tax brackets. The bill is not necessary with these sections in the bill. I guess I would simply say, Mr. President, in the interest of brevity that this...these sections are a total abrogation of our authority as has been suggested earlier. I believe this is the right way for this body to go, leave the bill, 1142, in its present form with the committee amendments, that is the increase in tax rates of 1 percentage point. I think Senator Johnson brings us a good amendment. I would urge the body to support it. Thank you.

SENATOR LANDIS: Thank you, Senator Barrett. Senator Warner, followed by Senator Vard Johnson, followed by Senator Abboud. Senator Johnson, it is not your turn to speak, it is Senator Warner's turn to speak.

SENATOR WARNER: Mr. President, members of the Legislature, I'd rise to oppose the amendment. Probably LB 1142 is...may well be the most significant bill we are dealing with this session on the side of revenue because what it is offering you is a chance for some stability to rates, rather to receipts by virtue of federal tax changes. Now it doesn't go into effect automatically. You have to have at least a 2 percent reduction in receipts as a percent of the general budget, General Fund budget, which currently means that that would be at least \$16 million. If you were functioning with a 3 percent reserve would be two-thirds of your reserve would have to be gone before they could take action. But the bill works both ways, either up or down, and I think that is significant. There are a lot of people who talk about getting off of the piggyback system from time to time. Unless we are willing to insert a system that will accommodate federal fluctuations in receipts relatively