

SENATOR LANDIS: Your time is up, Senator Warner.

SENATOR WARNER: ...you reject Senator Johnson's amendment and advance LB 1142 as a part of state policy, as it should be.

SENATOR LANDIS: Thank you, Senator Warner. Senator Vard Johnson on the Rod Johnson amendment, followed by Senators Abboud, Haberman, Lamb, and Hoagland.

SENATOR V. JOHNSON: Senator Landis, and members of the Legislature, I rise in opposition to Senator Rod Johnson's amendment and I would like to deal, if I could, with some of the intricacies, I suppose, of this piece of legislation. Senator Rod Johnson says, and I am sure that there are some adherents to his point of view, that this piece of legislation will in effect deprive the Nebraska Legislature of its rate setting authority. Please be advised, that is totally incorrect. It does not in any way deprive the Nebraska Legislature of its rate setting authority. All the bill does is it gives the tax commissioner the ability to make adjustments to our income tax rate, not to reflect changing economic conditions, not to reflect the financing of new programs, not to reflect the elimination of old programs but simply to make changes to our rate if federal law changes occur that have either an up or a down effect on the state tax base. So the tax commissioner really is given authority to kind of regulate in the cracks. And the tax commissioner is given that authority to regulate so that you and I don't have to come back into session three times during the course of a year. The tax commissioner really is simply given that authority so that interim adjustments can be made if they have to be made. Now the second point I really want to make clear is because we always retain the real authority and because we are in session every year, at the beginning of each year if by some chance we didn't happen to like a rate change the tax commissioner did, we could alter that. But the important thing is if the tax commissioner felt compelled, by virtue of a change in federal law, to effect a rate change in the interim, that change in the interim would have a profound effect on withholding, on tax withholding. So monies would be coming in, in the interim, pursuant to an increase in withholding. So if, when we got back into regular session, we decided that we were going to confirm that tax rate, that, yes, what the tax commissioner had done was totally and absolutely correct, at least in the confirmance, so to speak, of the tax rate we would have had enough money withheld so that our poor old Nebraska