

Haberman for introduction. Raise the call. Senator Haberman, you are recognized.

SENATOR HABERMAN: Mr. President and members of the body, a question of Senator Johnson.

SENATOR LANDIS: Senator Johnson, do you yield?

SENATOR V. JOHNSON: Yes.

SENATOR HABERMAN: Senator Johnson, on page 6 of the bill, does this raise the tax rate to 20 percent?

SENATOR V. JOHNSON: Yes.

SENATOR HABERMAN: Thank you very much. Now, ladies and gentlemen, what you are voting on here today is to raise the income tax to 20 percent. On what basis do you want to raise the income tax? Let's look and see what happens. We go by forecasts. That is what we are supposed to go by. Well, Governor Kerrey says the revenues are going to drop 25 million. The legislative fiscal analyst's office says it is going to drop 28 million. The state revenue forecasting committee says they are going to drop 13 million. Now, the Department of Revenue, with who we are turning this over to, says we can't even make a prediction, we can't make one, we are not in the position to do so. So what you are doing is you are going to increase the sales tax, or the income tax to 20 percent. On what basis? On what basis? Because some people say we are going to lose 28, 25, one only says 13. We haven't decided whether we should have a 3 or 4 percent reserve. We haven't even completed the budget, yet this body is being asked to increase the income tax to 20 percent. And I say that is wrong, we shouldn't be doing it at this time. My amendment merely takes out Section 6, which says that the income tax will be raised to 20 percent January '85, December 31, '85, that it should be 20 percent. That is all it does. We can always come back if we need to raise the income tax and raise it, but I don't think we should do it at this time because then it is going to show this body we are going to have more money to spend. We are going to spend more money, pass a bigger budget. So I think we should take that section out and we can always do that if it is necessary. Thank you, Mr. President.

SENATOR LANDIS: Thank you, Senator Haberman. Senator Vard Johnson, followed by Senators Warner and Schmit. Senator