

SENATOR V. JOHNSON: Well, Mr. Speaker, members of the Legislature, I do have to speak for a moment on this bill. I spoke against this bill on General File. I want to take a few minutes to speak against it again on Select File. As you know this bill is one that would provide a new tax incentive, i.e., it would provide some freedom from taxation for a certain portion of the Nebraska tax paying public. That portion of the Nebraska tax paying public that would have some freedom from full taxation would be those members of the public who make investments and hire new employees. As you know in the life of every institution there is growth and there is decline. In the life of every institution there is growth and there is decline. What this bill would mean is that during the growth cycle those institutions who naturally make new investments and those institutions who naturally hire new people will get some tax breaks. No incentive is provided, they just simply get the tax breaks. That is all that happens because they are lucky to be growing, they're lucky to be hiring new people, they're lucky to be able to make some new investments. They end up getting a tax break. It simply means further erosion of the state's income tax base. The fiscal note on this one is hard to guess. We do not know at this juncture what the level of erosion will be, could be a million, could be 2 million, who knows exactly what? In my view there is not a causal relationship between this bill and economic development. There is a causal relationship, however, between this bill and tax base erosion. This bill will simply cost the state fisc hundreds of thousands of dollars. Before you vote to advance this bill please pay attention to the state fisc.

PPRESIDENT: Senator Harris.

SENATOR HARRIS: Mr. President, members of the Legislature, I know that the dollar amount, as Senator Johnson referred to is an erosion of the tax base is undetermined, but I personally hope we adopt this bill and I personally hope that the dollar amount is very high because that means we're going to have a bunch of jobs going in the state that we don't have right now. Thank you.

PRESIDENT: Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I just rise to tell you that 32 states now have a plan such as this, so I think it's high time that Nebraska get started. Also, this doesn't cost us anything until a company, a business or an