

they are going out on field audits and collecting many, many thousands of dollars and we certainly don't want to lose that money because it is due us, the State of Nebraska. Thank you.

SPEAKER NICHOL: Senator Hannibal, then Senator Carsten.

SENATOR HANNIBAL: Thank you, Mr. Speaker. Welcome back. Members of the body, speaking as a member of the Appropriations Committee now, but speaking as a member of the Revenue Committee for two previous years, I can tell you I've had a lot of contact with the Tax Commissioner and the Department of Revenue and I believe that we have a very dedicated and competent Tax Commissioner and I believe we have a competent staff over there. Senator Johnson says that the drop-off of revenue collections is tenfold for every dollar you take out of auditing and enforcement enhancements and of course that was brought to our committee when we had the hearing and I kind of facetiously suggested to Commissioner Karnes that what we really ought to do is just give her \$4 million more and we could go get our \$40 million and we'd have our problem solved. I don't think that she thought that that was a legitimate answer and I don't either. Senator Johnson talked about other states that have had enhancement tools and have come up with more collections. I think it is important to point out that Nebraska is different than all those other states. The other states mentioned have their own tax policy. We, in Nebraska, only have a piggyback system and we don't use enforcements on the federal returns that other states do because they have their own tax department, their own auditing department on personal income especially. And so to say that those same kinds of things could work here, especially to that kind of magnitude, I think is not a very valid argument. He suggested we would be penny-wise and pound-foolish because we saved some pennies, but in the long run it is going to cost us a lot of money. I would submit to you that we can make that argument on many, if not all of these agencies, education, mental retardation, social services, any of them that could be cut, say it is going to come back to haunt us in the long run and it may be that that is true. But your Appropriations Committee and indeed, your Governor, with the bill suggests that that across-the-board cut of 2.8 percent which we are in agreement with will not significantly reduce the services of the department. Now that's the question. If you believe