

significant handicap because ten members of the body are not here on the floor to vote and this measure requires 25 votes and that means that there will be ten people who simply won't be around to vote on it so I hope that you consider that factor as you yourself decide how to vote. It is a simple issue. The Governor proposed a 3 percent budget cut. The Appropriations Committee has tended to follow the recommendation of a 3 percent cut and when the Appropriations Committee came to the Department of Revenue, it said, we'll follow the 3 percent cut. So \$318,000 is being taken away from the Department of Revenue. The Commissioner, Donna Karnes, has gone to the Appropriations Committee and has told the Appropriations Committee pretty much how she will effect the \$318,000 cut. She has indicated that she will reduce her staff by travel money for six auditors. She will reduce the number of audits by 18. She will reduce one person in Tax Policy and she will reduce six people in travel time in Field Services. She has indicated in a letter to us that we will save \$318,000 by virtue of the 3 percent cut, but we will probably lose in the neighborhood of \$3.5 million by the lack of audits and collections. Now, a number of us have spoken on the floor saying that is hard to believe. That is hard to believe. After all, we piggyback the federal system, but the federal system, mind you, is less than 50 percent of our state revenues.

SPEAKER NICHOL: Senator Johnson, excuse me. (Gavel). Ladies and gentlemen, you are supposed to be in your chairs. Please return there. I have a legitimate complaint against your wandering around while somebody is speaking when we are under call. They are your rules. Let's abide by them and show some respect for those who are speaking. Senator Vard, thank you.

SENATOR V. JOHNSON: We have a sales and use tax that we collect. We have to go and audit the collectors of the tax. We have to make certain that we have appropriate remittances of the tax. We have a number of taxpayers in Nebraska who either forget to file or fail to file and through various cross checking purposes we can discover some of those taxpayers and we can collect dollars that they simply have not reported. We have a number of people who make honest mistakes on their tax returns and again, through audits of those tax returns, we can find those honest mistakes and we can enhance our collections. Every state, every state in