

your presence. Those outside the Chamber, please return to the Chamber and record your presence. Senator Warner, did you wish to take call in votes? Please record your presence if you are in the Chamber. Yes, you may take call ins.

CLERK: Senator Baack voting yes. Senator Morehead voting yes. Senator Nelson voting yes.

SPEAKER NICHOL: Record, Mr. Clerk, please.

CLERK: 26 ayes, 8 nays, Mr. President, on adoption of Senator Warner's amendment.

SPEAKER NICHOL: The call is raised. We are back to the bill and there are no other amendments. Senator Warner.

SENATOR WARNER: Mr. President, I move that LB 10 be advanced. Again, I want to repeat, because there are some I think who are trying to decide which is the appropriate vehicle, I would like to see both bills advanced at this point but this one at this time. But aside from that, it would seem to me the basis for making the adjustment is at least three principal reasons. One, it has been pointed out many times, you have seen a number of different documents, which indicate because of substantive changes in the federal tax code since 1981 that we have had a reduction in our base for income tax purposes as a result of revenue reduction. I believe the figure as provided by the Department of Revenue would indicate that the comparable rate, the 15 percent, which was in existence in 1981, would be in excess of 20 percent today and I believe they were suggesting and as I recall it was 21.4 in '86 although we are not dealing with 1986 at this point. But it seems to me that really all we are doing in part then is making compensation for the kind of changes that occurred time and time and time again during the 1970s as federal tax code changes were made. Secondly, in the case of a retroactive income tax, it does provide the necessary revenue to get us through these times in a timely fashion whereas other alternatives that might be considered are not going to be able to generate the same level of revenue as would be done through this approach unless you have a higher rate than is needed because you have got a shorter period of time for the collection, such in the case of sales tax. And, finally, a lot of people have spoke with concern of the impact of what might be done on those individuals across the state that are having difficult