

for the lower income. That table could be changed, I mean, as far as I'm concerned and I think Senator Schmit is with me that higher income bracket could be raised or maybe the lower income bracket could be reduced somewhat. Some of the figures that the state average, I think it is with this particular amendment the state's mill levy would be about point three something. So there would be no reason for people not to turn in everything they've got with a mill levy that low. Also, the table that Senator Chambers was referring to, I think we passed that out. It shows that the lower income...and this is total taxes, income and sales tax, takes like 16 and 9 percent of their income. You get up to the top 1 percent, they only pay 8.6 percent of their income for taxes. I think that that's another excellent place to reduce the load on the lower income. There's also an article that was in the World-Herald, I believe, that was by George Holmes, Professor of Economics. I don't know Mr. Holmes but I sure agree with one of the...another point of view. And I will just read one paragraph. Now that we come to a second basic principle of taxation, since income is the ultimate source of taxes paid, what justification is there for taxing someone other than income? In other words, how can taxation of either transactions, sales or ownership of property be justified? Basically, what he's saying, it's the income that should be taxed. Basically, that's what this amendment does. I know that some of the entities and some of the comments that I have heard they're worried about will the local school districts lose their ability to govern? I mean, we aren't doing anything in this amendment to change control. If something does happen, this is something that could be changed later on. I guess I will stop now, Mr. Speaker, and see what some of the opinions are. If there are some questions, I will see if I can answer them.

**SPEAKER BAACK:** Thank you, Senator Rogers. Discussion on the amendment. Senator Will.

**SENATOR WILL:** Thank you, Mr. Speaker, and members of the body, I rise in opposition to the Rogers and Schmit amendment. I understand what Senator Rogers and Senator Schmit are trying to get at. They are reacting to the frustration that comes from a system that relies heavily on the property tax as a revenue source that historically we have come in year after year and tried to correct that situation and, as I understand their amendment, it basically takes LB 1059 and carries it to its extreme which is taking away the ability of local school districts to levy property taxes and transferring that to the