

SENATOR SCHELLPEPER: Senator Moore, if we were to pass this plan on to the Governor, it is my understanding that he would probably veto it, is that right?

SENATOR MOORE: I don't know.

SENATOR SCHELLPEPER: When I had an amendment the other day, he said he did not support any sales or income tax increases. Have you heard anything that it is going to be changed?

SENATOR MOORE: Well, he's been unable to get a plan to get 25 votes, so I think maybe we will send something to him and see what he does.

SENATOR SCHELLPEPER: Okay, now, with your plan, Senator, you are raising all of the brackets, instead of mine where I had just the top two, right?

SENATOR MOORE: Yes, the top two brackets are raised at an increased rate, and the bottom two brackets are at a very marginal rate, but, yes, they are increased marginally.

SENATOR SCHELLPEPER: Do you think that by raising all of the brackets, that you are getting at some of the same people that are currently paying the personal property tax, rather than going with the income...the corporate income tax?

SENATOR MOORE: Well, for one, you are generating...to generate this kind of money from a corporate income tax, that rate would have to double or triple, quite honestly, to get the kind of money you are talking about, and so, basically, what you are doing, you are increasing the bottom three rates of 20,000 and below, \$3,000; and \$45,000, the second highest rate, you are increasing it 15 percent, and the highest rate, you are increasing by 26 percent. So you can see how you raise those, and would you get them more directly from the corporate income tax, oh, arguably you would, even though I'd argue they'd probably pass that on. This you can't pass on, this one at least.

SENATOR SCHELLPEPER: That's right. Thank you, Senator. I guess I have a little problem with this plan because I think we are raising the tax for the small to middle income people of Nebraska, while the main corporations are not going to be