

May 7, 1975

SENATOR SWIGART: Mr. President, colleagues, I rise to support Senator Warner's motion to reduce to 12 percent. I'm advised that with any kind of a corporate tax, even if we should amend it so that the first \$25,000 would not be increased for the corporate owner, that if we continue with the rest of it at 30 percent, that we can eat by with 12 percent and we can pay the bills. You know people all over this state by the tens of thousands have had to cut back. They've had to cut back on many things. I'm sure you read the record of automobiles recently people have wanted to buy a new car can't. People have wanted to buy furniture and even sometimes with relation to food they've had to cut back some. I wonder if we shouldn't exercise the same frugality, or at least in a token fashion exercise some frugality. Let's cut it right to the rind and do the best we can. Let's try this at 12 percent and let the citizen know that we're cognizant of the plight of the economy in these days.

SPEAKER: Chair recognizes Senator Barnett.

SENATOR BARNETT: Mr. President, I've got a couple of questions of Senator Warner. I was listening to Senator Keyes a minute ago and I got all confused. I'd like to know, are you trying to put in a 12 percent retroactive? Is that what we're doing now? Is that the issue?

SENATOR WARNER: What I'm trying to do, Senator Barnett, is reduce the requested 13 percent retroactive to only 12 percent, which would result in a reduction of \$21 million of collections from taxes of the people of the state.

SENATOR BARNETT: OK. The question I've got is that we've got figures from the Department of Revenue. We get figures from our research staff. We get projected figures from Senator Keyes, Cal Carsten's Revenue Department. I don't know where we're at. I talked to you yesterday under a 12 percent income tax that would raise \$14 million. I've got a figure here from the Department of Revenue that says it will raise \$8 1/2 million at 12 percent. How . . . my question is, how or who do we go to to get some figures that we can believe in and we know they're proven?

SENATOR WARNER: Senator Barnett, the figures are still consistent. Let me indicate to you why. If you look under the 10 percent figure . . . column, it says rate at 10 percent. You'll see a figure there which shows a total collection of three hundred . . . a corporate tax of thirty-five million, five hundred and twenty-eight.

SENATOR BARNETT: Thirty-five and a half million.

SENATOR WARNER: OK. Then you go over under a 12 percent rate column, without the new bill, 123. You see a figure of forty-two million, five, which would be about a seven million dollar increase. Then you add to that seven the effect of LB 123 as it is currently amended, which is that eight and seven point . . . seven plus eight point three under the Department of Revenue's figures. They are suggesting that the increase in revenue from LB 123 will be fifteen point three million. The figure I used and have