

SENATOR F. LEWIS: Senator Marvel, according to the data that I have, we have presently no other expenditures, deficiency appropriations are passed, a surplus of 26 million dollars, is that true?

SENATOR MARVEL: You aren't counting revenue sharing?

SENATOR F. LEWIS: No.

SENATOR MARVEL: At least that much.

SENATOR F. LEWIS: 26.9 is what I have. Now the question I ask is, it takes approximately \$30 million dollars to reduce the income tax by 5%, is that correct?

SENATOR MARVEL: 1% is a little over 6--yes, I think so.

SENATOR F. LEWIS: So it would be 30 something million dollars? Now part of this is based on unanticipated revenue based on projections of the current economy. I mean that's not a firm figure is it, our surplus?

SENATOR MARVEL: No I don't think it's, I don't think it's a firm figure, I think it's an up to date estimate but members of the State Board of Equalization have been quoted recently in the paper, they are about as handicapped at the time that the levy is set as the Legislature was the other day when the Governor came in.

SENATOR F. LEWIS: So basi-

SENATOR MARVEL: So, so you're right, those figures, those figures appear to be flexible. They're as firm a figures as I have seen at the moment.

SENATOR F. LEWIS: Alright, so we have 26 million dollars to reduce over 30 million dollars in income tax, then the half percent would come from the 30 million dollars in revenue sharing which is a one time shot. Next year how much will we have available to continue that reduction?

SENATOR MARVEL: Instead of the 30 million?

SENATOR F. LEWIS: Yes.

SENATOR MARVEL: We'll have about, according to the, according to the figures I've seen, about 13 million.

SENATOR F. LEWIS: So that would be 17 million we'd have to make up there, we have at least a 4 million--

SENATOR MARVEL: If we used that 30 million dollars--

SENATOR F. LEWIS: --as a--as a companion bill as recommended by the Governor in 578.

SENATOR MARVEL: Yes, we'll have, we'll have to dig up the money some place else which means if we reduce taxes, then we'll have to turn around and

(End of Belt #10)