

May 23, 1973

SENATOR KEYES: Yes Mr. President. I'd like to ask Senator Warner to explain his reasons for this. In the amendment that we just adopted, the Board of Equalization has to consider the statutes that spend the money and now he comes along and says that the Board of Equalization in doing this has done wrong although we have more money coming in than is generally needed, yet, still he comes along and puts it on the responsibility of the Legislature. Perhaps he'd rather have the Legislature assume full responsibility of appropriating, setting the sales tax and the income tax and take it out of the Board of Equalization and if this is so, fine, but why are we going about it in such a haphazard way?

SENATOR WARNER: Well, Senator Keyes, the Board of Equalization does not now have the power to lower the rates. Once having been set, only the Legislature could perform this function at this time. I did not make the accusation that the Board of Equalization had set the rates unnecessarily high. What I did say was that the, the revenue has been at a much higher level, much higher rate of growth than was anticipated. I don't know if this is anybody's fault or if someone is to blame. The fact remains that revenues are substantially higher. They're high enough to aptly fund every piece of legislation that is pending if the Legislature so chooses and it seems that the balance of that money then ought to be returned or not taken away from the taxpayer in the first place because, whichever the case might be.

PRESIDENT: Senator Syas, then Senator Carpenter.

SENATOR SYAS: Well, Mr. President. Seems to me that this is sort of a rerun. I want to ask Senator Warner if he isn't dreaming too much,

PRESIDENT: Senator Warner, do you want to yield to a question here?

SENATOR WARNER: Yeah.

SENATOR SYAS: Sort of a rerun. Now you're going to introduce, you're going to reduce the income tax again, is that it? You're going to have the Legislature set it, is that it?

SENATOR WARNER: No, Senator Syas. What the--as I just answered Senator Keyes--

SENATOR SYAS: I heard you--

SENATOR WARNER: The Legislature would be the only one who could do this under current law, it would be reduced just for this year because--collections are running higher--

SENATOR SYAS: How does that change the, the sales tax and income tax coming, bringing in money about equally?

SENATOR WARNER: At the present time, the income tax is running roughly \$17,000,000 more than the sales tax. The reduction will bring them about even as the law suggests.

SENATOR SYAS: Alright. How does this affect the corporate income tax?

SENATOR WARNER: They would be decreased correspondently. As you know, they are per--