

May 23, 1973

(Start of Belt #16)

that this is doing, in effect, what the Governor come in and suggested could be done except we're doing it at an earlier date.

SENATOR SYAS: In other words, I assume by your statement that something we didn't know about, why it's alright to not have a public hearing on it, but if it is something we know about why then you have a public hearing. Is that what you are saying?

SENATOR WARNER: No, I don't believe I said that at all, Senator Syas.

SENATOR SYAS: To me you did. I'll drop it but everybody seems to be worried about the income tax and nothing about the sales tax.

SENATOR WARNER: Well, Senator Syas, I'd been willing to...

SENATOR SYAS: Bleed over the corporations...

SENATOR WARNER: I would have preferred to drop the sales tax, unfortunately, in a $\frac{1}{2}$ percent jumps you couldn't do that.

SENATOR SYAS: But wasn't there a time here a few years ago that the income tax didn't bring in its fair share and the sales tax brought in more than its fair share. Wasn't that about two years ago and I didn't see you worried about that at that time and you were in this Legislature.

SENATOR WARNER: Well, if we would have been in session, I would have made an effort...

SENATOR SYAS: Pardon.

SENATOR WARNER: If we'd been in session, I would have made an effort. It was afterwards.

SENATOR SYAS: Well, you were in session.

SENATOR WARNER: No, it was the following year.

PRESIDENT: Senator Carpenter. We are still discussing the Warner amendment #2 on 529.

SENATOR CARPENTER: I would like to ask Senator Cavanaugh a question.

PRESIDENT: Senator Cavanaugh, will you yield to a question?

SENATOR CAVANAUGH: Yes.

SENATOR CARPENTER: Just as a matter of information, if we adopted your amendment, I am presuming you are going to offer it, how would the mechanics work if the Legislature did what I presume your amendment indicated we should.

SENATOR CAVANAUGH: My amendment, Senator Carpenter, would set the tax rate, presently the sales tax at $2\frac{1}{2}$ %, the income tax at 13% and that would be a permanent tax rate until such time as the Legislature would change that. It would just continue indefinitely. There wouldn't...there would be no annual adjustment unless the Legislature so desired to adjust it.

SENATOR CARPENTER: Well, from a practical standpoint, I would presume that would be necessary every year almost. Let's presume that it would be, then would we be called in special session by ourself in order to do this or what. I am only trying to find out, what the mechanics.