

May 23, 1973

we will either be eating into that and/or having greater surpluses, is this not possible?

SENATOR CAVANAUGH: Certainly--it certainly is possible. It's my feeling that this, this body would be more cautious in expenditures if they know that their expenditures are going to directly affect the action that they're going to have to take, eventually take on the tax rate. If we have to set it ourselves, I think we're going to be much more judicious in our consideration of expenditures in order, in order to have those expenditures come as closely as possible to the tax rate.

SENATOR STAHLER: I would concede the final point that you just made but I think it is a two edged sword whether, what is the best time to set these rates?

PRESIDENT: Senator Whitney, then Senator Stull.

SENATOR WHITNEY: Mr. President and Members of the Legislature. I feel that we're getting into something here that this Legislature has already voted down several times. Had Senator Cavanaugh left it at 13% income tax and 2½% sales tax, I feel that then there would have been some reason for adopting his amendment but now that he has pushed it up to 15% and that it shall stay there to the end of time unless the Legislature changes it, I feel that I'm going to have to oppose the amendment. Now the Federal Government may change their laws and our State Income tax is based upon the Federal tax payable, about 15% of it. Now the Federal, if the Federal Government changes its rates, then the Board of Equalization will have to change theirs so I feel it's best to leave this in the hands of the State Board of Equalization and in order to do that, we have to turn down this amendment.

PRESIDENT: Any further discussion now. Senator Stull are you passing? Very good. Well, his light went out anyway so chances are he's passing. Any further discussion now of the Cavanaugh amendment? Alright, Senator Cavanaugh why don't you close? Senator Cavanaugh is closing.

SENATOR CAVANAUGH: Well, Mr. President, I just--I don't think that there's anything sacred about time of year particularly that we set this. Certainly November 15th has been selected as much out of political expediency as the practicalities of, the economic practicalities of the situation. I also feel that it's, that the only issue here is whether this Legislature has the courage to accept responsibility for setting the rates that fall as a natural consequence of the expenditures that we appropriate. We, we passed this law very cleverly several years out of this--several years ago out of this Legislature primarily to protect ourselves politically so that we could not directly be held responsible by the public, that we could lay the tax rate at the foot of the Governor when actually, the, the tax rate arises out of the expenditures and appropriations of this body and, and the only reasonable responsibility and proper responsibility rests with this body to set those rates so I urge adoption of the amendment.

PRESIDENT: Question is shall the Cavanaugh amendment be adopted. All those in favor vote aye. All those opposed vote no. Have you all voted? Once again, have you all voted? Clerk will record.

CLERK: 13 ayes, 20 nays, 16 not voting.

PRESIDENT: The amendment is lost. Do we have other amendments now to 529?