

(start belt #3)

changes in rates identical or in fact 1% less than the income tax than what the Governor at one time has indicated that he was willing to support. Secondly any tax reform measure that is designed to bring greater equity into the support of the elementary and secondary schools obviously means an a...reduction in property tax and the shift over to more equitable sales and income and property tax base and that shift obviously is going to result in an increase in sales and income along with that decrease in the property tax. The second comment is the expansion of the limitation that is contained in 472. As members know the limitation is in effect 5% for the 75-76 school year a...or a 12% in the a...a...12% increase in the over the 1972-73 year. One of the interesting things as I recall the objections that have been expressed the previous bill which carry a limitations on beyond without any specification as to the date the charges were then made that we were in effect establishing a floor which would mandate increases in support of education every year and in fact this statement was made last year that the 6% limitation would double the cost, mandate the doubling of the cost every 12 or 13 years. Now when we recognize that there are areas that will be changed from year to year in which this bill proposes an annual review by the legislature of those limitations we know that enrollments may decrease or will decrease as the total for the state and certainly we have no way of projecting as to whether inflation will increase, decrease, or remain stable and any limitations would have to take that into account and the obvious fact is that should the bill become law even though there was a permanent type of limitation that limitation could still be adjusted by any succeeding legislature. The third item that he points out on 472 is the allegation that certain business and corporate interest would receive a greater property tax reduction and income or sales tax contribution and that home owners as it is stated would have an increase in total taxes paid for every dollar reduction that they receive from the state aid to schools. I would like to point out that there have been a number of other stories written not in the news media which I have no part in which points out very clearly that in many instances if not in most you will see a homeowner in the projections that were used actually receiving a decrease. There are some other things that I think should be pointed out. Any assumptions that were distributed in which these formulas were based it starts out that these were in two of these estimates which means that the estimates means that the estimates are not based on or rather are based upon the knowledge of awareness of something without and mind you without conscious attention or reasoning. I think that it should be pointed out that the among the assumptions that are made that is the individual income from each of the classes spelled out that there a...a...that they are approximately equal. We know that this is not true. There has never been a study with...which will reliably point out or explain the difference in sales tax that is collected in the different communities as to its real source. I think that it is a undisputed fact that the property tax is the most expressive or rather regressive tax which is known to be used followed closely by sales tax and with income tax being the most progressive or in other words the property tax as we now know it is the type of tax which has the greatest adverse affect in the percent of total income to the low income citizens of our state. Another assumption that was made which we know can not be true is the school taxes as a percent of the total taxes paid were the same in all counties. The facts are that normally it