

as one example how it would affect municipal bonds in the state. I think no one would tell you that I was wrong on that. I may be wrong about the exact percentage it would raise municipal bonds, whether it is a half a percent, a quarter percent, or three-quarter percent. Net effect, though, is it would affect and impact them and, of course, that affects all your communities. I have offered as an alternative a simple, completely understandable, equivalent of a franchise tax, a tax for the right to do business in the state, so to speak, in the form of deposits, and the amount you would pay would simply depend upon how much your deposits are. At the present time, Senator Conway has a proposal up there, an amendment, that makes that a graduated deposit tax so that the institutions at the smaller levels, let's say 10, 15, 20 million, would only pay a minimal amount. The typical small bank under this system would pay about a thousand dollars flat franchise tax. Additionally, as I have suggested, there would be no way under this system to get refunds so that problem would be overcome.

SPEAKER NICHOL: Time is up.

SENATOR DEKAMP: You have two systems, you have to compare which one you want to go with, if any, and I submit that this one that I am offering at least for a year or two years is the simpler, clearer, better system, and that in the meantime, Senator Johnson, the Banking Committee, Revenue Committee could really have an intense study and figure out, if this wasn't working, if there is a better idea but at least this will be completely predictable and you would know how much you were getting and you would get it.

SPEAKER NICHOL: Senator Higgins, then Senator Pappas.

SENATOR HIGGINS: Thank you, Mr. President and colleagues, a few minutes ago I got up and asked Senator Johnson a question about the definition of financial institutions, and as he pointed out, they were all included but I was looking at the old bill. I understand the committee amendments are now the new bill. As I compare the original bill with the committee amendments, I find that these financial institutions by the committee amendments have been taken out of the bill, investment companies, investment trusts, mortgage banks, sales finance companies, and any other institution considered to be a financial institution under 12 U.S.C. 548. I don't even know what those other