

SENATOR MARSH: Mr. President and members of the Legislature, I rise to oppose this, it is a mechanical move to try to avoid something that really should not be avoided now. The time to increase, the time to have left the taxes was last year and we didn't do that. We are only trying to put the taxes back with an income tax rate the same as it was last year until this body took action to reduce them. I do not support this amendment.

PRESIDENT: Senator Abboud. Senator Vard Johnson next.

SENATOR ABOUD: Mr. President and colleagues, I rise in opposition to this amendment. I wasn't all that supportive of the idea of using any of this money to help fund the budget. It reminds me of a situation that we have back in Washington, where we have a Congress that can't quite make a decision on reducing spending so they borrow into the future. Granted it is a lot less money but the principle is still the same. You are borrowing against next year in hopes that the money will be there. This wasn't the intent when this reserve was established and I don't believe we should go around changing it right now because we are having some financial problems at this particular time. We are having financial problems because the money isn't there, because the economy is in bad shape. We have to make some decisions on either cutting spending or raising taxes. I have made my decision to cut taxes...or cut the budget and I think that is the best approach. I don't think we should be looking and hoping that somehow the economy is going to be better off next year. I strongly oppose this amendment. Thank you.

PRESIDENT: Senator Vard Johnson. Senator Morehead is next.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, a number of people have indicated this change is just a mechanical contrivance designed to avoid a tax rate increase. Well the truth of the matter is we have built into our system a cash reserve fund and a function of that cash reserve fund is to allow interfund borrowing during cash flow problems. Now we also have built into our system over a long period of a time a concept known as a reserve. Now the reserve is different from a reserve fund, the reserve simply says that when we establish tax rates we have to build a budget which contemplates at least an