

far as the impact of this particular shift, as I see it. And I just simply feel that the policy decision, or this policy shift is wrong and I will oppose the bill if this amendment is not adopted, even though I recognize that the income tax rate is probably going to have to be adjusted this year to reflect our spending up to this point in the session. So, with that, I would move the adoption of the amendment to the bill, Mr. President.

SENATOR LANDIS: Thank you, Senator Johnson. Senator Sieck on the Johnson amendment, followed by Senator Barrett.

SENATOR SIECK: Thank you, Senator Landis. Members of the Legislature, I have to oppose this amendment. We are in a bind because of the tax rate change at the federal level. And we are beginning to realize that and it is causing us difficulties. I think if we would have been able to correct this we wouldn't be in the bind that we are in today. We also must recognize that the federal tax can go up considerable, go the other way, and it will work in that way. And we would be getting more money in than we would really deserve, and this we don't want to happen. By us setting the tax rate, annually, that could very well happen. I don't think we want that to happen. Once we set the tax rate it is going to go whatever the federal level. That is why we are on the federal tax base. It's good, it's easy to administer, it is good to audit and helps us, but it can be detrimental, and it can work both ways. And I want you to really understand this. I can see in the future, even through this administration that we have at the present time, that the tax rate is going to go up. Naturally if that tax rate goes up, ours are going to go up, we're going to pay more money. And our tax rate won't go up, but we're going to pay a lot more money into the state treasury, and I don't think we want to do this. That is why I feel that we've got to have a system here so it is controlled. By putting the guidelines in, such as, they can't change it until a \$17 million change takes place, and that a public hearing has to be held, these are safeguards that we have as a legislative body that this cannot be done. Now we must remember that we can change the sales tax, or go to service tax, or whatever you want. These can be done without this particular...this is just talking about income tax. It isn't talking about any other tax rate that we have. Now in the past you must remember that the Board of Equalization did change, sales tax as well as income. And we've taken that away from them and we're doing it. Now this does not change that. It changes that, yes, just on the income tax level. But on the