

SENATOR V. JOHNSON: This bill has a purpose over and above an income tax, that is it's got a hold harmless provision in it. And that policy should become...

SENATOR DECAMP: I'm aware of that. But I'm just saying you can do whatever you intend to do without this bill. Is that correct?

SENATOR V. JOHNSON: Yes, we could do whatever we intended to do on an income tax rate without this bill.

SENATOR DECAMP: That is what I needed to know because I did not want to jeopardize the bill, even though it is a bad bill, if it involved what they needed for their income tax rate. I would submit to you that the bill is a bad bill. It is a nice idea that's got some big problems, particularly as it relates to corporate income tax. Let's start out with one important thing. Why is that amendment being offered that holds...that in effect prevents, as I understand it, anything from occurring on the corporate tax rates for a period of one year? Is that essentially what the amendment does?

SENATOR V. JOHNSON: Yes.

SENATOR DECAMP: Why not, for 5, or 10, or permanently? Why for one in the first place, and why not for more in the second? You understand my question?

SENATOR V. JOHNSON: Well, we took it out. Senator Warner and I decided in the end that we would untie the corporate tax rate for...from the operation of this bill for the first year of operation.

SENATOR DECAMP: Because it would screw up the corporate tax rates, potentially. Right?

SENATOR V. JOHNSON: I don't know if it will screw it up or not, but at least the corporate community will know, for one full year, exactly what their state tax rate will be because they would not be subject to the operation of this bill.

SENATOR DECAMP: Okay. Then let me address the bill as I see some of the problems, because at first blush I also thought this is an excellent idea, in other words we'll keep stability in the tax rates, keep stability despite what the federal income tax