

DeCamp amendment?

SENATOR DECAMP: Mr. President, I'd rise to oppose the amendment. This is the kind of legislation that is easy to talk against because you can throw up all kinds of what if's. While you are throwing up the what if's, throw some what if's if you do not pass it because there are just as many what if's there. As a matter of fact those what if's are more difficult to handle than the what if's that are being thrown up in opposition to 1142. The last time this bill was up the concern that was expressed, as it was written, and as has been discussed what may happen at the federal level on income tax and the shift from individual to corporate, the corporations are going to get a double hit. Now all this one hit because of going to 20, or 21, whatever it ended up being if the rate had to be changed, plus the hit in the basic change in the tax at the federal level. Now they are going to get hit once if you do nothing. They are going to get hit once if you do nothing. What this amendment does is leave it at once instead of twice. And that was the big complaint the last time the bill was up. It corrects that problem. Why only for one year? So that next session can address the issue. This is to insure that there would be nothing that would occur during calendar '86, taxable year 1986, that would, by virtue of federal action, substantially change the corporate income tax. That is all it is for. I can't imagine anybody being opposed to it. Now the other issue...two other issues you are dealing with, one is that there isn't any question in my mind if we just sit here and make no adjustments that you are rapidly going toward a state income tax and no longer piggybacking, just absolutely no doubt. Now maybe that is what you want to do. But I think you want to think carefully before you do that. One of the ways you avoid it is not allow complete chaos to develop in the tax system because of whatever the federal government does. Then people throw up their hands and say our system isn't working. The other thing that I like about this amendment, which is really the most important, and that is it will separate tax base issues from the tax rate issue. Through the seventies, when the tax base was changed federally, there were a number of times that the tax rate was adjusted to reflect that tax base change. That is all we're talking about here. If you're talking about a tax rate increase, which in fact is for the purpose of funding new programs or whatever it might be, that is another issue and that still remains in the hands of the Legislature. But also this rate base change also remains in the hands of the Legislature. The only difference is that if you have this law enacted when