

to adopt the hold harmless concept currently in law in Rhode Island, and the other one was to increase our state income tax rate to 20 percent. Senator Warner and I have visited, along with some others, and decided that probably, for purposes of talking to this Legislature about the hold harmless concept, we ought to take the tax increase out of the bill. We'll use another bill for the discussion of the income tax increase. Okay? So that will come in a different bill.

SPEAKER NICHOL: Excuse me, Senator Warner...Senator Vard Johnson. (Gavel.) Let's hold the conversation down, especially under the balconies.

SENATOR V. JOHNSON: But we would then use 1142 simply for the hold harmless issue. So the amendment takes out a 20 percent income tax rate, puts in a 19 percent income tax rate, which is the current rate for tax year '86. In addition we'll say that whatever adjustments are made, this year by the state tax commissioner to the individual income tax rate, those adjustments will have absolutely no effect on the corporate tax rate. The corporate tax rate will remain constant. Those adjustments will not touch the corporate tax rate, and finally makes a few E & R technical changes to 1142 that I don't even understand, but are, according to Mary Sommermeyer, are necessary for the bill. But that is the amendment. I would appreciate your support of the amendment. Once that is adopted then you can discuss 1142 in its very pure, pristine form which is whether or not to give the tax commissioner the authority to make adjustments to the personal income tax rate to reflect federal law changes.

SPEAKER NICHOL: The question is the adoption of the Vard Johnson-Warner amendment. All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 26 ayes, 7 nays, Mr. President, on adoption of the amendment.

SPEAKER NICHOL: The amendment is adopted. Now we are back on the bill.

CLERK: No, sir. Mr. President, Senator Hefner would move to amend the bill.

SPEAKER NICHOL: Senator Hefner, please.