

ourselves, could have increased the rate to have avoided the need for the special session, could have absolutely done, and if this body had not liked that rate increase, if we had said, oh, that Governor and that Tax Commissioner really made a bad judgment, when we got back into session in 1986, we could have lowered the rate because we have the last word. We always have the last word. They don't have the last word. We have the last word. But the interim adjustments, what they really do, and you have to unappreciate this, if you got a rate increase half way through a calendar year done by a Tax Commissioner, then the withholding rates increase. So your cash flow improves and you don't catch taxpayers short on April 15 the following year because enough money has been held at least, has been withheld at least because of that interim rate adjustment. It is a very sound piece of legislation. Basically, it is in place in the State of Rhode Island. The people have come to understand in Rhode Island exactly what a hold harmless system means. It simply provides for the integrity of a state tax system, and it preserves the simplicity of a state tax system. I absolutely guarantee you that if we cannot protect the integrity of our state tax system, in two to three to four years, we will move to a complicated state tax system, and one of the things I believe so strongly about our state income tax system is the virtue of its simplicity. It is extraordinarily easy for taxpayers to deal with, and I think that is one reason we have as high a compliance rate as we do have is because of the simplicity of our system. So we are now, the Revenue Committee is asking this body to take a significant step to protect the simplicity of our tax system by effectively protecting our base against federal encroachment and intrusions. I would ask that you advance LB 1142.

SPEAKER NICHOL: The question is the advancement of LB 1142. All those in favor vote aye, opposed nay. Senator Vard, were you standing for recognition?

SENATOR V. JOHNSON: I was standing to ask for a call of the house, please.

SPEAKER NICHOL: Okay, the question is, shall the house go under call? All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 12 ayes, 0 nays to go under call.

SPEAKER NICHOL: The house is under call. Please return to your