

going to argue this issue a couple, three times before we are done with the bill. So we may as well start with it now. As I understand the motion it would retain the sales tax on motor vehicles at 3.5 percent, while the other provisions of the sales tax would be at 4. As the bill now stands it is a half cent increase in sales tax, commencing July 1, with the sales tax from that...on motor vehicles from that additional half cent going to the General Fund. There will be an amendment, there is an amendment filed which will adjust that beginning date to January 1 for the half cent sales tax. And as that bill is drafted it will also have the additional half cent on motor vehicles going to the Highway Trust Fund, as historically has been the case. It is also accurate, based on the overrides that you have done to date, that have been accomplished to date, that that half cent sales tax January 1, together with the overrides, with the 4 percent reserve, and if the 5 million is not returned at this point to the cash flow reserve, but deferred for 12 months and those funds to be replenished in the cash reserve July of 1987, that everything is in effect, balanced, in fact with a little room. But I would stand to argue the case now on road funds because there were some things suggested, I think, that the other day when we dealt with this issue that perhaps didn't provide you with the full information on where we are at. I think it was indicated the other day that the additional half cent sales tax was some kind of a windfall. I'll tell you it is not a windfall. At best, at best that additional sales tax on the motor vehicles remaining in the Highway Trust Fund will leave the cities and the counties about where they expected. Consumption of gasoline is declining. If you look at the receipts on consumption for January they were down, as I recall, 10.83 percent. They are down about 11 percent initially on February. Now you cannot argue that it was bad weather. What is true that you can argue that obviously I assume more efficient vehicles, perhaps a variety of factors. Consumption is down. When consumption is down receipts are down. And as a matter of fact it is running about 3.2 percent...

SPEAKER NICHOL: One minute.

SENATOR WARNER: ...less receipts than had been anticipated. So there is ample justification in terms of the cities and counties because they are first directly affected. It is ample justification for that historical position of the sales tax on motor vehicles going to the Highway Trust Fund to be continued in order that the cities and counties at least will retain about the same revenue that they would have anticipated if it were not