

October 31, 1985

tax rate. Well, ladies and gentlemen, I'm not ready to raise that because I think there is cuts that have to be made and I'll be offering an amendment to this bill a little later on to have a 4 percent cut instead of what is up there now. I'd say that raising the state income tax would be an easy way out and this is a tough problem to address. Besides that, we're in the last quarter of this calendar year and a lot of these wage earners expect to get a refund back. Instead, they would be paying money in if we went retroactively back to January 1, 1985. Also, Senator Johnson talked about the sales tax on services. The Revenue Committee, after hearing testimony all day last week, or maybe it was two weeks ago now, I kind of lost track of time, last week I guess, but the Revenue Committee saw in its wisdom not to advance this bill because we thought that putting the sales tax on services would be particularly hard on some segments of the industry. And so I think we have addressed that problem and that issue should be dead for this special session. So I would just like to say I think we ought to stay here, work out the problems, cut the budget and cut the budget far enough so that we can go home without raising any taxes this session.

SENATOR BEUTLER: Senator DeCamp.

SENATOR DECAMP: Yes, Mr. President, I rather suspect I will, at this time, if the issue does get presented, probably vote against taking a recess right now. And I would like to draw a picture of what I think is occurring and why it makes sense to plod ahead a little bit, maybe till next week, and I think there will be some break one way or the other. Let me draw my picture. I see about four factions that are at this time stalemated. Faction number one, the Governor. He has his plan as Senator Johnson correctly stated and he would like nobody to do anything other than his plan. Unfortunately for me, his plan involves a number of tax increases, new taxes, this type of thing. As one individual, I'm not ready to vote for any tax increases. Number two, comes the Appropriations Committee. They are kind of boxed. Basically, they would like to, as I understand it, pretty well have an income tax increase retroactive for this year, but given the orders to go cut, they have brought you some pretty sophisticated, well designed and probably pretty painful cuts for some. However, there is no certainty that they can get their cuts which I'm not sure they are all that keen on and there is no