

entreaties, with our prayers, whatever the Governor chooses to do, he can ignore them, she can honor the petition and call a session, she can honor the petition or he can honor the petition and call a session for anything he or she chooses, for anything he or she chooses. And the Governor, in effect, can give us whatever tools he or she wants to do and, if we're unhappy with the tools that we have been given, there is a technique that we ourselves can use for another legislative session. We can bring ourselves into session and we do that by circulating among our number a petition. And so the Revenue Committee said to itself yesterday, the Revenue Committee unanimously said, you know, we ought to circulate the petition, not so much to get the tool to deal with this budget crisis, but instead to simply deal with what we know is coming up and I want to talk about that for one moment. The Federal Tax Reform Act of 1986 will result in a \$25 million shortfall to this state in the '87-88 fiscal year and a \$36 million shortfall to this state in the '88-89 fiscal year and thereafter. And that is only on top of the \$50 million shortfall we already anticipate. When you come here January 7, 1987, you've got to figure out how to deal with \$75 million in shortage, how to deal with it. So your Revenue Committee said we ought to at least deal with the \$25 million now as our sister states of Vermont and Rhode Island have already done. They adjusted their income tax rates proportionate to the federal tax law losses, to make certain they didn't have the \$25 million shortfall. That is what they did. So I'm circulating a petition. I've got 24 signers and at the end of the day if I don't have 33 I'm tearing it up, it's gone, kaput. And, yes, we will deal with it in January or February or March or April, it will be dealt with and what the outcome will be, I can't predict because I don't know what the '87 Legislature will do. I have no knowledge as to what it will do but I can tell you one thing, on January 1, 1987, new withholding tables go into place that are 12 percent lower than the current withholding tables and our cash will come in lower next year than this year simply because of the Federal Tax Reform Act of 1986. It will come in lower, 12 percent lower, starting January 1, 1987. Senator Warner estimates that that slippage will be between five and 14 million. I estimate it at about seven million. Maybe it's five and ten million. I can't recall exactly what Senator Warner says. I think it will be about seven million, first six months of '87. And you and I will sit down here January 7 of '87 and begin to try to deal with this problem. By the time we get a law into place we will have missed the first quarter's worth of withholding.