

April 15, 1975

SENATOR SAVAGE: Is there any further discussion? Senator Burbach. The motion by Senator Rumery to adopt his amendment. All those in favor record your vote. Please vote. Motion to adopt Senator Rumery's amendment. Please vote. Have you all voted? Record the vote Mr. Clerk.

CLERK: 16 ayes, 0 nays, Mr. President.

SENATOR SAVAGE: Motion fails.

CLERK: Mr. President, the next amendment is offered by Senator Burbach.

SENATOR SAVAGE: Senator Burbach.

CLERK: Mr. President, the amendment is set out in full in the Legislative Journal on page 1126.

SENATOR BURBACH: It is also has been placed on your desk, if that is more convenient. This amendment, "it is the intent of the Legislature that \$600 be the base as of December 31, 1974 for determining future changes in the food sales tax credit. Such base will be adjusted each year by the State Board of Equalization assessment and proportioned to changes in the United States Department of Labor Consumer Price Index for food from the December 31, 1974 index of 169.7 cents. Each year at the time the State Board of Equalization assessment meets to set those rates which is established by 77 . . . 2715-01, the Board shall determine the tax rates pursuant to such and so and so. The board shall determine the tax rates pursuant . . . The board shall determine the sales tax credit for the following calendar year. Such credit shall be the product rounded to the nearest whole dollar, or \$600 multiplied by the sales tax rates for each such calendar year multiplied by a fraction, the denominator which is 169.7." That is the increase of the food . . . that is the standard set up by the Consumer Price Index for the increase of food. Actually, the State Board of Equalization shall determine, by prior record keeping of what the consumer price index is on each given date in a month. Then this will be totaled . . . averaged together and this will be exactly the dollars that are necessary for the refund of groceries and for the next insuing year, rounded to the closest dollar. In this way we are providing for the exact amount of return. The state does not make money, it does not lose money. We, today, have 51 inspectors or examiners. Then, of course, in the grocery store where all items are taxable today it is only a matter of adding the invoices and then totalling the total sales and determining the sales tax amount. But if we have 30 or 35 percent of the items in a grocery store which are not taxable, you can see the difference in the time consumed. How many more inspectors we do not know. It could be safely considered to double or triple that number we do have today. I move for the adoption of this amendment which would provide the exemption of the tax on groceries, except that is collected and is refunded. It's refunded back to those people who are not sales tax free, such as people living in senior citizen homes where the groceries are purchased without the payment of a sales tax, they should not be . . . have this money refunded to them. There is a provisal in the bill already. Senator Kelly is going to offer it sometime later. It would provide for those people