

equitable contribution to this state for a profit making institution. There are people out there that don't make profits and we tax them through the sales tax. Farmers do it every day. Right? We have got these institutions last year turning \$176 million..in '83, pardon me...in '83 \$176 million of profits, \$800,000 of taxation, when you wind up subtracting out the refunds from what they paid. The amount of money that was left in this state at the end of the year from banks after having produced \$176 million of income was \$800,000. No farmer, no corporation, no residential landholder in this state who has the ability to pay, if you lump them all together is going to be able to say I have got an effective tax rate of less than one-half of 1 percent. Nobody. And that is the situation Senator Barrett suggests we freeze...

SPEAKER NICHOL: One minute.

SENATOR LANDIS: ...and hold where it is. That is holding harmless. Well, I wish I could say the same. Nobody pays at that kind of an effective tax rate and have that kind of ability to pay. To leave things where they are and then to say at the same time to an industry that says we are not capable of studying them, and we are not the appropriate body to do it, and we don't have the ability to study and come up with fair taxation rules, that to me is an incomprehensible situation for us to leave this session with and to leave things where they are. It isn't fair to other corporations, to other taxpayers in any fashion that I can imagine to leave that effective tax rate where it is.

SPEAKER NICHOL: Senator DeCamp, then Senator Vard Johnson.

SENATOR DECAMP: Mr. President, I would agree, I would agree that the Legislature is capable of writing a bank tax and I don't think it should be called a bank tax, a financial institutions tax, and I believe we are capable of doing it effectively and fairly. But to do that, you have to present the entire picture and I believe the entire picture is not coming clear. Let me give you a few of the rest of the story pieces. The banks paid \$800,000 last year. You have heard that many times. The rest of the story is that was after all the refund deductions. In other words an illegal tax had been collected before, so after taking all the deductions for what they had illegally paid before, then they still paid \$800,000, which I think is too little. I