

SENATOR CARSTEN: A question of Senator Fowler, if I may, Mr. President. Senator Fowler, do I understand your amendment to mean that the Board of Equalization could only make the change in the sales tax rate then at the November meeting only?

SENATOR FOWLER: Correct. Once a year.

SENATOR CARSTEN: Once a year. What would the situation be if somewhere in the interim between those meetings the economic situation develops to the point where an adjustment has to be made in order to maintain state revenues?

SENATOR FOWLER: Well if that was the situation the adjustment would have to be made in the income tax until the November meeting when the sales tax could be adjusted upward to start bringing in the revenue then.

SENATOR CARSTEN: But if in the event that the increase in the sales tax or the income tax would necessitate an increase in the sales tax, what would be the situation?

SENATOR FOWLER: The sales tax would be adjusted in November.

SENATOR CARSTEN: But what about the interim?

SENATOR FOWLER: It wouldn't be changed.

SENATOR CARSTEN: I think you are creating some problems here that we're really trying to avoid and if I may, Mr. President, while I am on my feet, would have to say this and this is not the first time that this bill has been before the Legislature. In the past the retail merchants have been very strong in opposition to it and they have been in here in numbers opposing the bill when it was at the hearing. We did have opposition that is true, from Mr. Stone, who represents the retail trade but not in numbers like we have had before and the changes in the systems that are developing very rapidly now with the electronics is becoming less and less of a problem for changes. I would not foresee and do not believe that this is as much of a problem as we are being led to believe. Thank you.

PRESIDENT: The Chair recognizes Senator Howard Peterson.

SENATOR H. PETERSON: Mr. Chairman, I, too, would rise to oppose the Fowler amendment for a number of reasons. Number one, I certainly agree with Mr. Carsten that there is no question but what computer programs can be easily changed in this day and age. Number two, as far as the very small merchant is concerned, every bank in every community furnishes