

but it seems to me that it is significantly important that we determine whether or not the majority of the Legislature even wishes to consider adjustment in the individual income tax rate during this session because it will have a direct effect upon the level of appropriation that...or the number of A bills or any other expenditures that we want to consider. I also would point out, I know there is concern whether or not this will affect the corporate income tax bills that are pending. I would suggest from the conversations I've had with those interested in the corporate income tax adjustments, they are really looking at what might happen next year. I would like to call your attention to the booklet that was passed out yesterday which we will be discussing relative to the resolution some time next week in which the projected revenues and possible expenditures are pointed out particularly on page 24 and page 26 of that and some of you do not have that book with you. I've got some copies of these sheets but included in that is a list of a number of possible appropriations or appropriations request which some of you I'm sure will be interested in, in order that no one suggest that that list is there to intrigue you to vote for sixteen, let me point out that it is proposing possible requests for expenditures far in excess of what is available by going the additional 1%. It also suggests that we could put all of the additional funds in the reserve and maintain a little over 5% reserve which is our historical position except for a couple of times when the economy was bad and that might even be the best thing to do. Between the last twelve months we have reduced our reserve by 2%, the calculations of it because of the economy. That could well happen again as many of you know. So I would suggest that it is an appropriate time. We took a 12.6 million dollar loss in revenue because of the federal change calendar '81. We have the potential for \$50 million in calendar year '82 and a projected additional \$50 million in calendar year '83 as the federal legislation now exists. So I would suggest that if you do not change the rate now you will be changing it the state will be changing it certainly by next year but it is even conceivable that we would for the balance, that sometime during the balance of calendar year 1982. Again I would urge the body accepts the amendment. It is an indication that giving the Revenue Committee a greater flexibility providing public input through a public hearing and then send the bill back to the Revenue Committee as the amendment will indicate. One other reason for doing it, I've heard some concern of what that incremental rate change might cause to happen particularly the sales tax rate and for that reason again, I think it is important that the whole concept is returned to the Revenue Committee where they can take that aspect into account along with the other projections, that they will be using in arriving at a recommended package for the Legislature. I move adoption of the amendment.