

SPEAKER MARVEL: The Chair recognizes Senator Haberman.

SENATOR HABERMAN: Mr. President, members of the Legislature, I rise to oppose Senator Warner's amendment. Senator Warner recently offered the Legislature a new rule, Rule 8 on page 51, requiring the Legislature to adopt a resolution which specifically recommends a maximum general fund appropriation and now Senator Warner is offering an amendment to raise the state income tax from fifteen percent to sixteen percent before the Legislature has had the opportunity to discuss the level of general fund appropriation as is called for under our new rule. This amendment is in front of us before we have had time to see how our new rule will work, before we have had time to debate the level of general fund appropriation, before we have had time to develop our spending priorities throughout this session. As I see it, part of the theory behind our new rule was to give guidance to the Appropriations Committee and ultimately the full Legislature. By adopting the Warner amendment we destroy the purpose of the rule. What is to prevent Senator Warner from attempting to raise or lower the sales tax later in this session? What is to prevent Senator Schmit or Haberman or anybody else from attempting to increase or decrease any revenue source the balance of this session if this is consistent with the theory of our new rule? In days past we, the Legislature would develop spending priority and then establish or force tax rates to be set to fund these priorities. Our new rule requires us to determine our level expenditures first and then develop spending priorities within that figure. Adoption of the Warner amendment is a throwback to the old days. We can no longer afford the luxury of that situation given the mood of the country during this time of fiscal conservatism. I believe this is an end run on Senator Warner, the part around the rule. It is a pitch out and he wants to run around it. So I would suggest that we do not adopt Senator Warner's amendment to 454. Thank you, Mr. President.

SPEAKER MARVEL: Okay, there is seven lights on. The Chair recognizes Senator Carsten first.

SENATOR CARSTEN: Mr. President, members of the Legislature, I rise to support Senator Warner's amendment and particularly the promise of a recommendation that if this amendment is adopted that it be referred to the committee for another public hearing. I suggest to the body this morning as I have to several different groups that I have talked to in the last two or three months, that we are entering into a new era that we we know not what the outcome is going to be. We have been informed of proposals that have been made on the federal level and to this point they are only proposals. We can only guess what might be the effectiveness