

they are one and the same and that is to return this bill to the Revenue Committee so the people of the state can help clarify their feelings about the level of spending appropriations. Secondly, there is a political issue here that I think we ought to discuss and I think it is very clear that what the Governor has proposed with the 4.3% budget, this year we are expecting no revenue increases from the sales and income tax, so our same level of funds will be raised that it was last year, no normal inflation because of the tax cuts and because of the economy. The economy is very, very soft as we all know. And so the Governor has had to propose a corporate income tax, a cigarette tax, a reduction in the overlevy and a couple of other proposals like the one that failed yesterday when Senator Fowler failed to bring the bill that the Governor proposed out of committee. Now let me say that this Legislature seems to be favorably disposed towards the Governor but it certainly is not giving him everything he wants. Now I don't want to say why exactly that is happening but I think there is some honest philosophical differences of opinion and what we have today with those proposals we still have 4.3%. Revenue collections right now are soft. I think it is safe to say that the very dire predictions about revenues coming in from last year were probably more correct than those optimists who have their office in the other corner of this building. Frankly it looks like this is a realistic approach. Now the problem with this simply is this. It may be too early. The other problem is simply this. I'm wondering whether this Legislature, people like myself, really want to take the heat for raising the taxes which it seems inevitable to have happen. Why should we take the heat when for years we've passed it on to the Board of Equalization? For years we've allowed them to raise the taxes even though we created the situation where they had to raise the taxes.

SPEAKER MARVEL: You have one minute left.

SENATOR NEWELL: The answer to that question is very simple. It is honest and this Legislature ought to be dealing with these very difficult issues, not in the traditional gainsmanship that we have but in a very frank and forthright way. For these philosophical reasons and the very practical reason that there is no way that we can hold the present tax rates, I support Senator Warner's attempt to raise the income tax. The philosophical reason is, we ought to be doing it. We ought to be doing it from the day one and for those reasons I think this is not only a good precedent but it is the right thing to do at the right time.

SPEAKER MARVEL: Senator Kilgarin.