

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Chair recognizes Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, I rise to support Senator Carsten's amendment and I joined with him in signing it, and there are three or four things that I want to call your attention to. Number one, as Senator Carsten has indicated, the Revenue projections for the current year are \$10 to \$16 million down. It has...if you have been reading the paper, the prime rate is going back up and I think you can rely upon the probability that the Chase econometric model come end of March will show further deterioration from where we are now. We have to deal with the taxes as they exist today. Secondly, somebody will probably rise up and say, well, we shouldn't do this today because Congress might change. Well, they might change, but I would be willing to bet it will not change while we are in session. But further even if they did, even if Congress does defer the July 1 to the end of the year, based on the short of revenue receipts that we now know of and what any reasonable person will agree has only one probability and that is to go down further, then the 16 rate is still necessary as a minimum because of the deterioration. Now the basic argument, of course, is the one all along, is whether or not the state should absorb reduction in revenue just because of the changes in the federal tax base. That in itself is justification for the 16, but when you add it to the known deterioration in receipts, then it is inevitable. Secondly, there is no way to finance \$758 million which is the target figure in the resolution without this taking place, and as most of you know, that figure requires probably at least another 5 before we adjourn just to cover things that we know are going to occur. The options are few. There is no question but what this action is necessary and if the Legislature will do this today, then I think that I would agree with Senator Carsten that the bill will be held on Final Reading after adoption of the amendment and held at that point until the other revenue measures that the committee has advanced have been advanced so that we have that total picture. But unless we get some stability, unless we give some stability to that revenue picture by recognizing the absolute inevitability of going to 16 then the next few weeks are going to be even more hectic, and I would urge the body to adopt Senator Carsten's amendment to return it to Select File, adopt the amendment, readvanced and then make a motion that it be held until such time as the other Revenue measures advanced by the committee are here. Thank you.