

SENATOR CLARK: Senator Dworak.

SENATOR DWORAK: Mr. President and colleagues, I've been listening to the members of the Revenue Committee, Senator Johnson primarily, and if Senator Johnson, is he in the chamber?

SENATOR CLARK: Senator Vard Johnson.

SENATOR DWORAK: As I understand what he said, if I understand what Senator Johnson said and if I'm not correct, Senator Johnson, you can correct me because I certainly don't want to leave any false impressions but as I heard you say that if we were at 40% or when the committee was at 40% you were assuming a 16% personal income tax rate.

SENATOR V. JOHNSON: Yes.

SENATOR DWORAK: Now because the Governor said we need 17% the 35% level will raise about the same amount of dollars at 17% that 40% raised at 16%. Is that correct, Senator Johnson?

SENATOR V. JOHNSON: Yes.

SENATOR DWORAK: Is it also correct then, and I've heard rumors that we could well be at the 18% level, that that is not the remotest possibility in the world, and if we do go to the 18% level, then would 30% generate the same amount of dollars at 18 that 35 did at 17 and 40 did at 16? Is that correct, Senator Johnson?

SENATOR V. JOHNSON: We did not project it that far. I do have the figures on what 40% at 16% would generate and what 35% at 17% would generate and let me just give you the dollar amounts, Senator Dworak. At a 40% rate with a 16% individual income tax rate the amounts of revenues generated would be \$20.2 million.

SENATOR DWORAK: Yes, Senator Carsten gave us the dollar amounts and I did write those down and I did, kind of was curious to what would happen on the 18%. Now I have one other question and it has been three or four years since I've been on the Revenue Committee, in the 50-50 test between income tax and sales tax, is the corporate income tax a component of that 50-50 test or is that strictly... Maybe Senator Carsten can answer the question. Can you answer the question, Senator Johnson.

SENATOR V. JOHNSON: I wish I could but I cannot.