

SENATOR FOWLER: It sounds to me like we are saying that we won't keep the sales and income tax equal, use the nearly as equal test unless I am misunderstanding what this says.

SENATOR CARSTEN: The intent, Senator Fowler, is to keep the 50-50 test but only if there is a change in the income tax rate, that it would then have to meet the 50-50 test bearing in mind that the income tax would still have to produce more than the sales tax but would need to be as near equal as is possible.

SENATOR FOWLER: Okay, maybe the debate will, I am still confused, but maybe the debate will eliminate that.

SENATOR CLARK: Senator Burrows.

SENATOR BURROWS: I have a question as I read the amendment and I am not sure I understand it because it says "except where solely" and it goes to the sales and use tax or income tax would be needed and so forth to provide for it. Would this nullify in any way what the intent of the original bill was? I am really asking Senator Carsten because I am not sure I have the criticism of the amendment or not. I can't read it quite.

SENATOR CARSTEN: Senator Burrows, it does not deter from the original intent of the bill whatsoever. It only puts it in perspective as 484 was related and as we anticipate the changes from the federal level coming down to the state level.

SENATOR BURROWS: Thank you.

SENATOR CLARK: Senator Newell.

SENATOR NEWELL: Senator Carsten, I am going to try to do this with my understanding, and if I am not correct, I would like to have you clarify it. And we are kind of going to do this for the record so we get some legislative intent. But as I understand it, this amendment was brought to you by Mr. Leuenberger, the Tax Commissioner, and the amendment deals with only those situations where there needs to be a change solely due to the 50-50 test. In other words the tax rates would normally be the same because they are producing enough money but only because of some change in the 50-50 tie there might have to be an adjustment, and it is Mr. Leuenberger's intent and desire to prevent a sales tax increase because we now move to the smaller increments. We are now moving up in quarter percent or quarter cent increments and he is not anxious to see the sales tax increased, isn't that correct?