

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, quickly just to refresh your memory, this is the bill that requires the Board of Equalization to do two things. It requires the Board of Equalization to meet within a certain time period after certain kinds of changes in the federal tax laws have occurred. In addition to requiring them to meet, it also requires them, mandates them that they make the changes when certain conditions are met. I guess I feel, basically, that it may be a good thing to require them to meet and consider those tax changes but that the kinds of situations that can come before them at any particular point in time are so varied that it may not be good and is not good public policy to mandate that they make a particular kind of change when they meet. So what my amendment does is leave the bill as it is in terms of requiring a meeting or mandating the meeting but it says that they may adjust the income tax rate instead of saying they shall change the income tax rate when they do meet. Again, I plead for additional flexibility on behalf of the Board of Equalization so they can anticipate all situations that may come up. For example, the situation may be much different than what it was last year, which was the example that gave empathize or gave rise to this bill. For example, after your revenues are projected in April of any particular year or at the end of a session the federal tax rate may go up. Now that means that the Board of Equalization will have to meet and reduce the state tax rate. But at the same time we may know with the coming of summer and the fall that revenues are going to be dropping and therefore it may not be a good idea to cut our tax rate because we have other information that indicates something is going on at the state level that does not correspond to a federal tax increase. So, the amendment is basically designed to give additional flexibility to the Board of Equalization and I hope that it is acceptable to Senator Carsten and the committee. Thank you.

SENATOR CLARK: Senator Marsh.

SENATOR MARSH: Senator Clark and members of the Legislature, I rise to oppose the amendment for the following reasons. The intent of the legislation itself is to say then we are anticipating a budget the legislature makes certain decisions. Without that automatic adjustment we can not know what Congress will necessarily do in advance. We should not be put at a disadvantage on the other hand, if Congress would raise it and it would automatically bring in an enormous amount of dollars into the state tax coffers that is not fair to our citizens either. That adjustment needs to be made automatic. It needs to be mandated with the word "shall"