

on the marginal tax rates. It does provide for a greater equity through higher personal exemption. One of the things people need to understand is that last year we did, in fact, adopt the federal standard deductions and that has been a good change, but we did not adopt the federal personal exemptions. We are woefully short in meeting those exemptions. To bring greater equity and fairness to the plan, we need to move toward adopting those federal exemptions. The best we can do under the \$26 million figure would be to go to \$1,400. The combination of these changes, the increase to 6.5 percent and the \$1,400 personal exemption, again, is a total package of \$26 million. In summarizing where we would be then under the bill, I do agree with the Governor on the need to provide income tax relief and am pleased that we will have some form of it one way or the other. My argument is that it is inadequate and it also is unfair in the current form that it is in. It is inadequate in that it is only \$18 million. It should be \$26 million. It is unfair in that it does not provide an adjustment in the rates that is necessary to provide greater equity and progressivity to the tax rates. And because of that, I feel that we can improve upon the plan that she has got. The child care credit is, I think, a good step and one that I support, and I hope the majority of the members of this body. I believe that child care is a very important issue. I have worked hard on it. I know that many of you agree with the need for a day care tax credit and hopefully we will deal with that issue. I would also raise one additional point, though, that day care tax credits, for those individuals that have the income and ability to pay for child care, we have also pending an issue before the Appropriations Committee to raise, by \$1.8 million, the amount of money going to Title 20. These are people that cannot afford day care and they are now being subsidized through the Title 20 program by state monies and it is woefully inadequate, that we need to bring those up to market rates. And so I will tell you right now that in my estimation if we are unable to do the Title 20 increase of \$1.8 million, I would rather see our child care credit reduced by that amount and that money going into the Title 20 program where these people don't even have the ability to afford at all any child care and are now unable to get the child care because of the low reimbursement rates of the state. But at this time, I do support the child care credit provisions. It is simply that the personal exemptions are inadequate, that the marginal tax rates are unfair, and further changes need to occur. Frankly, the whole situation further exemplifies the whole philosophy, I think, of maybe this body and certainly the