

of the higher income people got the tax break. It seems to me completely unfair if we give a, on top of that to the higher-income people, a child care tax credit as well. So for that reason this amendment would restrict it to those families with adjusted gross income under \$45,000. I think it makes perfect sense. It will save some revenues and some...for the state and it will not be giving tax relief to those people who have, in effect, in general have already benefitted under 773 anyway. I urge the advancement of the amendment.

SPEAKER BARRETT: Thank you, sir. Before proceeding to discussion, I'm pleased to announce that Senator Dierks has some very special guests in the north balcony, specifically his daughter-in-law, Susan Dierks who is a teacher at Page Elementary School and she brings to us 24 fifth and sixth graders from Page Elementary. Would you folks please stand and be welcomed. Thank you. We're pleased to have you with us this afternoon. Senator Moore, would you care to discuss the...on the bill, thank you. Senator Wesely, discussion on the McFarland amendment.

SENATOR WESELY: Thank you, Mr. Speaker, members, Senator McFarland raises an interesting point here. I do support the day care tax credit and the entrance of the state in providing some assistance to day care. Obviously I've worked on this a great deal and it is a need. I also have consistently in a tax policy indicated we should target tax relief to those in need and I guess Senator McFarland is trying to do that with a \$45,000 income cap here. I guess I tend to think he may have made a point. I don't think...I'm waiting to hear from Senator Hannibal, but I don't think that there is now federally, when you apply for the tax credit, a maximum income and so I guess trying to put a cap, it would probably be better if the federal government put some sort of cap on income and applied that credit that way. I guess I wonder if the state should do that, but I think he makes a point about targeting the relief and trying to provide those in need and I would tend to support what he is doing. If he is successful in getting this amendment adopted, and I do have another amendment to the bill which I probably won't pursue. One of the points I'm going to make on this bill is that we are providing in the day care tax credit, relief to higher-income families in some cases with children and we are pending in the budget process an appropriation to increase Title XX day care support for those on the other end of the scale, the low-income families that need day care. And