

would you yield to a couple of questions, I hope,...

SENATOR WITHEM: Certainly.

SPEAKER BARRETT: Senator Withem.

SENATOR PETERSON: ...in regards to the amendments? The income tax rate goes into effect in January 1st of 1991, right?

SENATOR WITHEM: Yeah, I believe so.

SENATOR PETERSON: And when does the sales tax go into effect?

SENATOR WITHEM: July 1st of this year.

SENATOR PETERSON: July 1st of this year. A question in regards to the income tax, 17.5 percent income tax rate. What I guess I...what will happen to those people working out there when that goes into effect? Will...you know, only about...I don't know what percent, but a good percent and maybe 90 percent of the people when they don't realize anything until it's passed and they have to...it goes into effect and I imagine that will happen in regards to this income tax, but what...will they have less money to spend and will that affect the economy if they do? It looks to me like the workers out there when they get hit with that 17.5 percent income tax that...do you think they will have less money? And, if so, will it affect the economy?

SENATOR WITHEM: Many of them will have less money. They will pay more income tax but they will have more money when they get through paying their property taxes. So, no, I don't think it will affect the economy.

SENATOR PETERSON: But what will happen to those that don't have property, that are renting? And there's many, many more of those than own property that are renting.

SENATOR WITHEM: People who...

SENATOR PETERSON: What about those people?

SENATOR WITHEM: They will have less money. Most of those people are fairly low income individuals that don't pay a very high rate in income tax anyway.