

of the State address, there was a certain pool of funds over and above...over and above what would already be spent in all likelihood. Now, obviously, as Senator Warner and myself are very well aware of, at the end of February the Revenue Forecasting Board came in and decreased those projections by a substantial amount, 77 million dollars. As far as an answer to Senator Warner's concern, I'm going to validate his concern that given what happened in the Forecasting Board, the present tax rates in the bill do not fund the bill its full impact in the first year. But I guess I would prefer instead of implementing a retroactive income tax increase to July 1, therefore having a double withholding of income tax in July 1 of '90, I prefer to fund the bill at a lesser level, phase the measure in, if it so be, if we're 30 to 40 million short, which I think when it's all said and done is what I project it's going to be, and I would prefer that method as opposed to Senator Warner's method of addressing the same problem of bumping up the income tax increase. You know the one thing that Senator Warner and I do not always agree on our priorities on how we spend money, but we usually agree on the amount of money there is to spend, and we concur once again at this time. But we disagree on how to effectively deal with it in this bill. My preference would be to, if need be, phase the bill in at a somewhat smaller amount this first year, and then go into its full impact of 220 million, whatever it is. Senator Warner says, if you're going to fund the bill it's full impact the first year, you just correct...you would need to bump up that income tax increase to January 1. Now, that generates more than you need. But the problem is you cannot...whereas the sales tax you can basically raise that in any particular quarter of the calendar year, the income tax is primarily done at the first of each year. And it would....If you could, I mean if we could bump it up until October, I would support that. But, really, mechanically it does not work that way. And if we're bumping it all the way up to January 1, 1990, Senator Warner is correct, you would raise more money than you need then, and you could, you know,....One way to deal with that would be to delay the sales tax increase until October. But, once again, it would be my preference to keep the tax increases in at the time that they are, the sales tax increase effective July 1, the income tax increase effective January 1. Now, by doing that, quite obviously, there is a sales tax increase in effect July 1, so I don't think it would be a fair criticism to accuse anyone or anybody trying to skirt the issue politically, we are talking about a tax increase. But I think the simplest and most common sense way to do it would be