

walk up and down the aisle and say, look, are you going to vote for this amendment? Mr. President and members, the amendment, AM2749, is the very thick amendment that is filed separately so it is not in your bill books and it is not being handed out on the floor, but there is a handout that should be coming out to you that explains just what the amendment does, and I will give you a very detailed explanation at this time. What it does is it provides for the reduction in the sales tax increase from one cent to one-half cent. It would then reduce the number of exemptions that we currently have in the sales tax area. Basically what it does is it adopts the Syracuse proposal that our tax study in 1987 allowed for and it does that in the area of sales tax on services and personal services, repair services, amusement and recreation services, the professional services, being architectural, engineering, accounting and legal, and then also in the area of construction services that deal with basically improvements but they are beyond repair services, but it does not impact home building. It also takes and reduces a tax increase for income from the .55 to .4 and it places in a super bracket with regard to the income tax that was previously spoken about on the floor through Senator McFarland's amendment. What the impact would be is that there would be approximately a \$200,000 increase, just \$200,000 in the overall funds that were raised. So in other words, by decreasing the sales tax increase almost \$58 million, from one cent to one-half, we pick that up with the \$76 million that would be in the Syracuse proposal, the sales tax on services. We would reduce the income tax then again by about \$27 million and we would increase the income tax with the super bracket by approximately \$9 million. That all balances out to be about a \$200,000 positive impact on what the bill does. My reasons for doing it is that when we're going to have as massive a change in our tax structure as we are in 1059, and it is that, that is the one point that I do agree with the Governor on, that it is a massive tax increase. No one has denied that it is not, that we should look at the overall system. That was my reason and my basis for supporting Senator McFarland's proposal in the super bracket this morning. What we do with this amendment is look at the issues of what are we taxing and how are we taxing it when we're going to have the increases that we do? I think the service tax is a very appropriate tax. It is basically a sale. There is little or no distinction in my mind between the sale of the good and the sale of a service and as we become more of a service oriented country and clearly a state, we see those industries being more and more prevalent, taking more and more of the sales, generating more