

for delinquent taxes and other purposes, might be exorbitant today given the reduced rates of interest that we have seen since we enacted that statute a number of years ago? Shall we take a look at whether or not that might, in itself, be exorbitant?

SENATOR WARNER: Senator Schmit, personally, I've given that thought, because it applies to all form of taxation. On the other hand, I am aware because the issue has come up from time to time that by virtue of the 14 percent requirement that most people make a greater effort for timely filing of their tax requirements, whatever it might be. Obviously, the 14 percent does not apply if you pay in a timely fashion, or you, obviously, can go...if it's necessary to borrow money to pay the interest rate why then, obviously, you can, in this day and age, most likely be able to acquire those funds from some other source. Certainly acts as an incentive to be timely in tax payments.

SENATOR SCHMIT: Well, Mr. President and members, I would just like to say at this time that I think that from time to time on this floor we give the impression that it's easy to pay taxes. For most people it is not easy to pay our taxes. Taxes become a greater burden and a greater percentage of our total income with each succeeding year. And I do not think that very many people deliberately do not pay their taxes on time. They do not pay their taxes because they don't have the money. And I would suggest that if we abolish the withholding provision of the federal statute, there would be a great many people who would not pay their taxes on time, would not be able to do so. And I think that we seriously ought to look at the equity involved in 14 percent rates of interest. I know that this may not be the time or place to do it. On the other hand, I think it is a time to comment upon it. We raised those rates when interest rates were much higher than they are today, and I think we ought to consider lowering them. One final remark, and that is that many people who do owe taxes are not in a position and do not have the ability to go to a bank or an institution and borrow the money to pay those taxes, or else they would have done so.

SPEAKER BAACK: One minute.

SENATOR SCHMIT: I don't think there are that many people who are careless about their taxes. I think that there are those who certainly need to not be burdened by a punitive type of