

interest penalty?

SENATOR WARNER: Yes, there is.

SENATOR HALL: What rate is that at? Isn't it...

SENATOR WARNER: Fourteen percent.

SENATOR HALL: Fourteen percent. That's what I thought. Thank you. Mr. Speaker and members, what Senator Schmit does is nothing more than say for tax year 1992 the only penalty you're going to have, if you fail to file, is the 14 percent. He doesn't take away all penalty provisions. He just says you're not going to be guilty of a Class IV misdemeanor. For that one year that we're going through right now, we're in the process of changing and adding back on the tax rolls personal property that hadn't been on for years, where we're in the middle of a constitutional amendment going to the ballot with the people in May and a reporting date that, I think, Senator Warner said was June 1, he is saying that for purposes of a late filing that misdemeanor for this tax year doesn't apply. And what that says though is that it doesn't make any change with regard to the penalty provision of interest that's already in statute as it relates to nonpayment of taxes. I've heard a number of times about how 14 percent interest is a heck of a penalty in terms of having to...or incentive for people to pay their taxes. I mean, in this case, it's an issue of filing the report. I happen to believe that the folks out there are going to be extremely honest with regard to that. But the few people that might actually forget to do this might be confused on this issue in terms of, you know, what's taken place in the Legislature, the changes that have been made, a constitutional amendment on the ballot in front of the people and a reporting date that follows approximately within two months after that. To say that we're going to exempt them from a Class IV misdemeanor for one year and the penalty becomes a Class II misdemeanor, Senator Schmit does not change that provision. So what you have here is one year where the maximum penalty they're going to face is 14 percent interest on that nonpayment of taxes that would be due and owed, if any. And in the second year, the Class II misdemeanor would be in effect. It would be there.

SPEAKER BAACK: One minute.

SENATOR HALL: They would be subject to that. But for