

This week, crossover week, is always one of the most exciting weeks during the General Assembly Session. The House and Senate always have a couple of very long days on the floors of their respective Chambers, and many of the bills they debate during these lengthy days are quite controversial. Consequently, the debates can be wonderfully spirited. The highlights this week are:

### **The “Amazon Bill”**

The Amazon bill I first discussed last week cleared the full Senate this week, taking one more very important step in the process. It now goes to the House, where it is likely to be referred to either the House Finance Committee or the Commerce & Labor Committee. Speculation is that a referral to House Finance signals malicious intent towards the bill. We'll be following the bill through the House process.

### **Budget**

This morning, Governor McDonnell held a press conference announcing his recommendation on an additional \$2.2 billion in budget cuts necessary to close the budget deficit. As expected, the Governor recommends \$731 million in additional cuts to K-12 education. Governor McDonnell argues that this level of recommended cut is justified because it places cuts to K-12 funding at the same level of cuts to higher education and public safety. The Governor also recommends \$320 million in cuts to various items in the health and human services categories, and recommends five furlough days for state employees in order to save \$180 million.

One of the most important things to remember is that these are merely the Governor's recommendations. The General Assembly money committees are free to accept or reject some or all of these recommendations. We'll know which of these recommendations they agree with this Sunday when the money committees finish work on their respective versions of the budget.

### **Corporate Income Tax**

The House and Senate bills that repealed the corporate income tax officially died at 12:01 a.m. on Wednesday when they failed to make it out of their respective House and Senate Committees by the end of crossover day (Tuesday).