

Mr. SURREY. He is permitted to round upward and downward so that you don't have odd cents in the table.

The CHAIRMAN. You have rounded up to the next full dollar?

Mr. SURREY. That is right.

We will discuss this in executive session with the committee and indicate how we plan to do it but presumably we would incorporate the tax increase in the optional table.

The CHAIRMAN. You have not made up your mind as to how that should be done yet?

Mr. SURREY. It is our feeling this should be done but that is a matter we will have to discuss with the committee.

The CHAIRMAN. How do you handle the estimated tax?

Mr. SURREY. In the case of the estimated tax, with respect to the estimated tax for individuals we simply said that any increase that shall affect the estimated tax for individuals presumably would affect it in January of next year.

But the estimated tax would have to be increased accordingly along the lines of the increase in tax liability.

The CHAIRMAN. That would apply to corporations as well.

Mr. SURREY. Yes.

The CHAIRMAN. In making these estimates have you prepared tables to show what the total impact is of the adjustment in the payment from 70 to 80 percent on an estimated basis plus the imposition of the 10-percent surcharge?

Mr. SURREY. Yes.

The CHAIRMAN. Do you have any corporations at any level paying more than 100 percent of their tax liability in any calendar year?

Mr. SURREY. We would, as we do now, in other words, corporations are now finishing up the major acceleration started earlier.

The CHAIRMAN. You know what we have done. We have been very, very careful to prevent a percentage increase that might result in over a 100-percent of the tax liability being incurred in any one year.

Mr. SURREY. I think for the great mass of corporations that figure will drop even under these changes, considering various prior types of speedups.

The CHAIRMAN. It has an effect on the cash flow of course and if they don't have any cash, it forces them to have to borrow more money.

Mr. SURREY. Thinking for a moment about raising that 70 percent figure to 80 percent; on the average, corporations appear now to be using about 82 percent.

The CHAIRMAN. You mean they are actually paying on the basis of 82 percent of their liability?

Mr. SURREY. On an estimated tax basis.

The CHAIRMAN. Even though they are only required to pay on 70 percent?

Mr. SURREY. Yes. Some corporations will be between 70 and 80 but a great many corporations are already above 80 percent, just voluntarily. So that it is hard to get a table that will cover everybody.

Those corporations that are between 70 and 80 would have to go up. But those who are already above 80 would not have to make any change.

The CHAIRMAN. You know this committee has always refused to require corporations with less than \$100,000 of tax liability to be put