

Firms scramble to skirt higher taxes

Bank One to transfer investment portfolio to Las Vegas

By SCOTT WILLIAMS

Bank One Texas is planning to transfer control of a \$3 billion investment fund from the bank's home base in Dallas to the gambling mecca of Las Vegas, in a controversial maneuver designed to shelter the huge portfolio from state tax collectors.

The bank's attempt to shepherd its private investments out of state apparently is the first major response to Texas' expanded franchise tax, which would otherwise siphon off millions of dollars from the investment portfolio to help resolve a state budget crisis.

State officials say that other sectors of the business community — angered by what is widely regarded as a corporate income tax — also are scrambling for creative

methods to avoid paying.

Said Brad Gabbart of the Office of the Comptroller of Public Accounts: "There are a lot of ways that people are looking at already. If I were on the other side, I'd probably be doing the same thing."

Bank One proposes to establish a new operation in Las Vegas known as Texas Investment Holding Corp. The bank would transfer its investments to the new company, which then would manage the portfolio in partnership with a large Nevada bank.

In its application to federal banking regulators to execute the transfer, Bank One said that all financial records of Texas Investment Holding Corp. would be consolidated with the bank's records.

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