

there, I'll read it, "for estimated tax loss due to anticipated or pending litigation." The amendment, as I have drafted it, provides that the anticipated litigation has to be litigation that is limited to anticipation of an action being filed by a taxpayer who filed a similar action for the preceding year which is still pending. I would like to ask Senator Withem, if he would please, to comment upon this language.

SPEAKER BARRETT: Senator Withem.

SENATOR SCHMIT: Pardon me, I am sorry, Senator Bernard-Stevens.

SPEAKER BARRETT: Senator Bernard-Stevens, please, would you respond?

SENATOR BERNARD-STEVENS: Yes, Senator, and it would be my pleasure to do so. Senator Schmit, the amendment, though I had not seen your particular amendment, actually I had seen the amendment as the railroad industry had passed out the amendment last week in their discussions with me. I was somewhat...I think I may have not been very clear onto your question you had last week on the bill. I handed out a little statement to the bill. From all I have been able to ascertain, the question that you had, Senator Schmit, and the concern you had was on county boards, whether they could take...whether they would have too much latitude on the funding, and in response of that, the way the bill is written, and I have been convinced in speaking with certain members of the railroad industry and other areas of concerns, that the only thing that would be allowed under the bill as it is currently written without this amendment would be any litigation that would deal with a tax loss, an expected tax loss. For example, one of the things that people said, what about if we budget for a tractor or something, that we have an accident, and we have to pay up or settle on an insurance suit, or an insurance policy. That would be an expenditure. That is not a tax loss. The concern I have with the amendment you have to the bill at this point, Senator Schmit, is that there is a small chance, and I don't think a great chance, but a small chance that pipelines and other industries may be able to cabbage on the 4-R Act. Again, I do not believe that they will be able to but that is yet to be decided by the Supreme Court and they have surprised me quite often, their decisions on certain things. I think the amendment as drafted would not necessarily take those into consideration and I would be a little nervous about that at this point. I don't want to take