

corporation is a taxpayer. So that corporation is a separate entity and the \$2,000 cap will apply to that and will not count toward your own personal \$2,000 cap if you...I don't know whether your farm is incorporated or not, but if it is...

SENATOR WARNER: (inaudible)

SENATOR LAMB: ...if it is you would have a separate \$2,000 cap for each of those corporations that are separate entities.

SENATOR WARNER: But I also have...I hate to use myself, but I don't...I could use a neighbor I guess and it would be the same difference, but if you owned land, as in your own case, as I understood your explanation, I certainly would know people that have property in a...perhaps even a subchapter S corporation which is not unusual for farming, and still own land in individual names outside the subchapter S, but then under those circumstances, if I understood you correct, that's an accumulation of the individual or are each of those separate?

SENATOR LAMB: No, it's my understanding that if you were the owner of...if you had part interest in two corporations, say, then each of those corporations would have the \$2,000 cap, but you would not mix them. You would be eligible for the cap on both of those. A corporation is a taxpayer, is an entity in itself, but now if you as an individual have several pieces of property, some of them owned jointly with other people, then it's my understanding that you would be obligated, say, to pay your proportionate share of taxes on each of those parcels and then you would have to add those up, no matter which county they are in in the state. They all come together on this one form and so that your total taxes that you paid would be subjected as your personal \$2,000 and would be subject to your \$2,000 cap.

SENATOR WARNER: What would be the situation if, you know, a lot of people, this does not affect me now, but I know a lot of people have adjusted their ownership because of the ASC limitations. They, in fact, have one management, but by virtue of what they are required to do because of the ASC, and there are three or four families involved in one entity, one operation, one management, under any circumstances...I just don't want to go home and have to explain to a bunch of neighbors why, because they happened to be formed as they are for no other reason and in some cases it's state purposes, it's just simple management, a more effective way to do it, lots of