

property tax valuations will be just...the property taxes will be just as high as they are today. There will be one additional kicker and that is that they will then be paying an additional quarter of a billion dollars in sales taxes and income taxes, except that by the time three years rolls around, given the normal attrition, we will have 50, or 60, or \$70 million of additional money for schools from that source. The other major inequity which has not been addressed and which no one wishes to speak about is the fact that the income taxes from a school, the income taxes from a school district are all paid back to that school district. They're not collected statewide and then sent out as state aid. So if, in fact, we pay 20 percent of the taxes from District 56 as income, the same people pay them, the same people pay them as those who pay the property tax, no difference. You just one as an income tax and the other as a property tax. I would like to ask someone and maybe Senator Withem can answer this. I know, and I do not know the details, but I know that over the years the federal government has made a payment to the schools, I believe, in Bellevue for what they call impact assistance, impact aid. Does anyone know how the federal government determines the relative wealth of a district, the relative need of a district and the relative income of a district? Is it the same formula, Senator Withem, or Senator Scotty Moore, as is employed in this bill? I would like to ask that question if I still have time.

SPEAKER BARRETT: Senator Withem, would you respond, please, in 45 seconds.

SENATOR WITHEM: No, it is not the same formula. It is a different formula based upon the amount of impact that a federal facility has on a local district. Federal property takes property off the local tax rolls somewhat like our in lieu of tax payments from education lands, which I know is a subject I probably shouldn't have brought up with you on the floor because that's another one of your favorite topics, but somewhat that same philosophy, I believe. Senator Hartnett is much more of an expert on it than I though.

SENATOR SCHMIT: I would just like to...maybe he could speak on it if he has his light on. I would just like to say this, I believe if you will check that when the federal government makes that payment they take into account the entire wealth of a district which includes the property, the real...both real and personal and the intangible property of that district. I