

system to make up for that, because this is a huge, huge policy shift in the way you do income taxes. Now, the motor carriers, these other items do pay personal property tax, they pay every year, it isn't a matter of their sales tax, they pay every year a tax based on the value of that property. They've been doing it, they did it through 829, they're doing it today. But if you change the income tax system to take away the legitimate purpose of expensing over a period of time for the cost replacement of that, you not only...you haven't solved the property tax problem, what you, in effect, have created a very dangerous situation with the income tax side. I ask you, don't mix those up. Deal with the property tax issue, but don't pervert our income tax system and change that policy, because this is a huge shift in policy. I would urge the adoption of the amendment. Thank you.

PRESIDENT MOUL: Thank you, Senator Kristensen. Senator Warner.

SENATOR WARNER: Madam President, members of the Legislature, I rise to support the amendment as well. There's been a number of things said, all of which I agree with. But as to why we should not...or why we should adopt this particular amendment, certainly we do not need to be reminded part of the lawsuits on 829, one of which was withdrawn, but nevertheless was the issue, which I believe is still before the court on whether or not you can tax depreciation on a building, and I have a suspicion that you cannot. This is...this...I have a bigger concern about the \$100,000 floor on which tax begins to occur. I don't have the case in my hand, but I know I've...I saw in the last few days where we talk about centrally assessed, I believe it was Iowa, but I may not be...I'm not certain, I believe it was, where the 4-R Act, they had some comparable type of a floor on which below that amount a tax would not be paid, and it was over 100,000 it was, as I recall, a part of that case with the 4-R Act on railroads, was discriminatory because of that, wasn't applied uniformly. And so I suspect that railroads are not going to be affected by this depreciation. I have another concern, I don't know if it's been mentioned, I was late getting here, but in those numbers it is included the refund for 775. It was testified before the Revenue Committee the other day on a different bill, there was approximately \$90 million of refunds left on 775, to be refunded over the next 12 years. Some 22 million has gone so far in 3 years, which is an average of 7.5 million. You cannot...obviously you cannot predict exactly what those years...what those refunds, what year they will