

seem to be talking about particularly breeding cows. I am assuming, then, since the Internal Revenue Code livestock is draft breeding, dairy and sporting goods, animals used for sporting, and it also is, and I am sure doesn't even enter into our thoughts, minks or whatever may be raised, but for clarification, Senator Hefner, are we talking about horses, too, breeding quarter horses, thoroughbred horses?

SPEAKER BAACK: Senator Hefner.

SENATOR HEFNER: Senator Nelson, we are talking about all breeding livestock.

SENATOR NELSON: So that would, for clarification, include horses?

SENATOR HEFNER: Yes, include any of them, if the horse is livestock, it would include horses.

SENATOR NELSON: All right. I know the conversation went as for breeding cows or heifers or so on.

SENATOR HEFNER: Yes.

SENATOR NELSON: So I wanted that clarification that it would include...

SENATOR HEFNER: Senator Nelson, yes, but it would...

SENATOR NELSON: Right, thank you.

SENATOR HEFNER: ...also include dairy herds, sow, pig operations, cow-calf operations.

SENATOR NELSON: Sure. Thank you. Thank you. Also, Senator Withem mentioned, he has some points on the income tax code, it is first in, first out, and particularly in breeding bulls. I think someone would probably be foolish not to depreciate them if they are up in the 20, 30, 40 thousand dollar class, but there are very explicit rules on depreciation, and the times it was put on the tax rolls, whether it was 1981, whether it was makers acres, or 1986, so I don't think there is that much fudging on the way that the livestock is put on the tax rolls. I probably will not be supporting this because I see it as another way of narrowing the tax base, but in reality, I don't