

we're shifting over to the sales tax area, and if you adopted Senator Moore's amendment, you would have recreated the same discrepancy where farm equipment would not be taxed, sales taxwise, but business equipment would be. That, to me, seems inappropriate. It seems to me that the proper basis of taxation in this particular situation would indicate that we ought to eliminate, and I guess this is my philosophic position, that we ought to eliminate the sales tax altogether insofar as it applies to the inputs of products and services, insofar as it applies to the inputs on products and services. And that should be true whether it's an agricultural product or whether it's a product produced in the urban area. And, in fact, the history of the sales tax indicates that from the beginning that's the direction in which we've gone. In the agricultural area, for example, there is far in excess of \$100 million in sales taxes that could be levied against the inputs into products on the agricultural side, but over time that has been reduced to about \$26 million today and it would be further reduced by another 10 or 12 million dollars by the Warner amendment so that as far as taxes on agricultural inputs are concerned into the products that they sell, you're going from over \$100 million to somewhere around \$14 million. So the direction that we have moved, philosophically, taxwise in this Legislature has been that direction. We have not moved that far as far as eliminating industrial inputs on the urban side from taxation and we are creating a wider discrepancy in that regard if you adopt the Rod Johnson amendment. At the very least, what we should have done was taken a partial step that was fair to both...to all entities and followed Senator Ashford the other day to the conclusion that he, hopefully, would have brought us to, but that, unfortunately, disintegrated,....

SPEAKER BAACK: One minute.

SENATOR BEUTLER: ...because he proposed, at least as far as the equipment inputs are concerned, to treat business and agricultural the same. So I don't think this is really an urban-rural debate and I hate to see it taking that tone. Obviously, the tax incident can vary depending upon the principle adopted, but the correct principle, the equity principle is to tax everybody within a class the same, regardless of the product that they're producing. My road equipment companies who have heavy, heavy investments in equipment here in the City of Lincoln, that's not used for agricultural purposes, are certainly at as much a disadvantage