

it remain that way is that eventually I can exempt all personal property. But to do that I'm going to need a system to replace it. I'd like to get rid of a lot of real property taxation and that only tax base that I have to do that,...

PRESIDENT MOUL: One minute.

SENATOR KRISTENSEN: ...sales tax on services, maybe it's Senator Elmer's transaction tax, but that's a large tax base that some day I'm going to need to get rid of real personal, or real property tax and I don't need to do that to correct this problem. I need a personal property tax solution to ser...and to correct the problem. Practically, you cannot tax inventory. I don't think you find anybody here that will dispute that. And for my purposes an inventory tax hurts the little guy worst of all. It hurts the people, the farmers who are forced to store grain because of federal grain policies and price supports and storage, those are the people that are going to be harmed and I cannot allow an inventory tax. My heart says to me, don't tax personal property, don't do it, but my head tells me that legally 1063 is the correct way to go because it does solve the problem, but how do I make that and how do I sell that and how do I become comfortable with it? That's this amendment. Eighty percent break on sales tax...

PRESIDENT MOUL: Time.

SENATOR KRISTENSEN: ...on machinery is far superior than an inventory tax.

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

SENATOR HALL: Thank you, Madam President, I rise to oppose the amendment to the amendment. The proposal, as I said before is the worst of all scenarios. I believe that to have everything back on and I had an amendment to put everything back on just yesterday at a reduced percentage of value. It would have included inventory. It would have included all personal property. It was clear to me when we started this debate before even the session was underway that all personal property was not going to go back on, not at least in a proactive basis on the part of the Legislature. When you're not going to do that and you're looking at some other partial method of taxing personal property, you have a system that is flawed at best. Everything that can be said about the old system with regard to the