

honest person's base, depending upon your perspective, but it was a base. You don't even have a base that you can count on from year to year. And, ladies and gentlemen, it's predicated on what the federal government does in terms of depreciation policy. The incentive, if there is one, is as Senator Kristensen pointed out, at the federal level, not at the state level. And as those policies change and depreciation tables change, so goes our tax policy here at the local level. Even though we have put in place a local table, the problems are still there. They're still going to exist, and to sweeten that pot,...

PRESIDENT MOUL: Time.

SENATOR HALL: ...what we're going to do is say that we're going to allow a sales tax on farm machinery. Well, why not business equipment? They pay sales tax on that. Why not automobiles? We pay sales tax on that. Those are business equipment.

PRESIDENT MOUL: Time. Thank you, Senator Hall. Speaker Baack. Senator Warner. Senator Schmit.

SENATOR SCHMIT: Madam Chairman and members, can't help but think a little bit about how many times the residents of Lancaster County can appreciate these kind of bills which reduce their property taxes. You followed leadership some time ago and passed 1059 and I'm looking at some people who probably took a substantial increase in their real estate taxes and now they're taking another look at what is going to happen to them when the benefits of 1063 come home. Most importantly I think is this, somewhere along the line a tax policy ought to be devised that is equitable, takes into consideration ability to pay, takes into consideration stability, all those other factors. The one thing that we have had in tax policy as long as I have been here is instability, absolutely. Tears came to my eyes as I listened to Senator Kristensen talk about how his heart wanted him to vote for repeal, total repeal of personal property tax. I would assume the tears will come to the eyes of his constituents also and they may well come to his own eyes when he stands before those same constituents in a year or so and explains exactly why he voted for 1063. I think Senator Hall outlined it very carefully. The people who will pay the burden on this bill are going to be the homeowner in the urban areas and the small average individual farmer in the rural areas. The individual who is a large operator has got accountants who is going to be