

SENATOR SCHMIT: ...to 1063.

SENATOR WARNER: Next, Senator Elmer, followed by Senators Schimek, Withem, and Crosby. Senator Elmer.

SENATOR ELMER: Thank you, Mr. President. To continue in the vein of my opening, the impacts...the impacts of this, of course, is just like any, any other tax. The people who are at the ends of the production chain, the ends of the consumption chain feel the accordion like effect of any tax that we pay, whether it be a property tax, whether it be a sales tax, whether it be sin tax, whether it be use tax. A farm operation that I am very familiar with is one of the...at the production end. They produce products for a market they have no control over. The products are perishable, they have to sell them whether they want to or not. If the prices are low, many times the cost of the production of that good is higher than they can get paid for. Under this system an average farm would have its property tax reduced about 55 percent. In return for that it pays 1/2 of 1 percent of everything it sells, livestock, land, grain, whatever, 1/2 of a percent. In almost every case those individuals with high values of property holdings would have an advantage, under this bill. But on those products sold we realize until the meat they sell gets to the packing house, or the grain they sell gets to the miller, that 1/2 of 1 percent will back...back and lower the price they get for their goods. On the other side of it, from the packing house, or from the miller to the consumer then it's passed onto the consumer and you and I, as a general public, pay it, as we do now, even though most of it is hidden. But the thing that this does, it spreads an obligation that the citizens of this state have, especially in education. I sincerely believe that educating our kids, both K-12 and college, is the obligation of the citizens of this state as a whole, not just those few who happen to own property. Numbers of kids in school have no relation to property, and it's unfair to have property paying for it. And this idea would allow that to happen, would allow that to happen. Senator Hall, are you still in the Chamber? Senator Hall, in the event that we're not successful with the bill this year, do you feel it would be proper to begin a good study to see if this type of a tax could be viable, could be usable and be acceptable?

SENATOR WARNER: Senator Hall, do you yield? Senator Hall.