

a state schedule, I talked about it on terms of equity so there was similar depreciation rather than different kinds, and there was an equity issue, but there was the constitutional issue as well. And under federal guidelines, business, for example, can use a 200 percent. In some cases, it is a straight line. It is 150 percent, generally for ag, but there is another set of circumstances in ag that is different, that you may have the opportunity to elect. The bottom line is that that Attorney General's Opinion said we couldn't. It raised a serious constitutional question to do what I understand Senator Coorsen wants to do. Secondly is the reference to the 179 exemption. As it was explained, that is not permitted under 1063 as it is presently written. Actually, you do not accelerate depreciation under 10,000, you expense 10,000 of depreciation, if you meet all the various guidelines, and, again, you are going then go into a lack of uniformity. The way the bill is designed is that new equipment that is purchased, and whether you are in agriculture or in business equipment, any depreciable property would be uniformly depreciated as far as the concept is concerned that you would use, and the only thing that varies is the life cycle for that particular piece of equipment. In addition, if you would expense the 179, it probably has a significant reduction on the amount of property that would be subject to tax and certainly there is the equity issue where the individual who can use it would not be treated the same as the individual who could not. But the tie to the federal income tax for purpose of reporting in 1063 is tied to the two important things that you need, and that is date of purchase and purchase price. That can be cross-checked for accuracy, but then to go further and, again, to pick up the other provisions of depreciation on federal income tax is going to lead you right into the problem that the Attorney General indicated. Also, if you allow the election in the case of business equipment, which under new equipment depending on what the individual has opted for, the new business equipment could be accelerated at a 200 percent, which is a much more rapid rate than the 150 as provided for in 1063, and if you did that, yes, you would be able to...

PRESIDENT MOUL: One minute.

SENATOR WARNER: ...write that off more quickly. This concept of how to treat 179, I guess I don't know if we've talked a lot about it on the floor, I think made reference to it, but it is one that if you want any kind of uniformity of treatment to,