

valid argument in what we're talking about today. We're talking about in the event 1063 becomes law, how do we want it to work? And the more simply it can work, the more simple it is, the less it disturbs what the current and past practices have been, the more acceptable it will be for those who must comply with it. Thank you, Madam President.

PRESIDENT MOUL: Thank you, Senator Coordsen. Senator Warner.

SENATOR WARNER: Madam President, members of the Legislature, I again rise to oppose the amendment. I appreciate that we're talking about a somewhat complex issue perhaps, but it's perhaps not all that complex either. If you look at page 699 of the Legislative Journal is the letter that I was referring to and not reading it in its entirety, but the first full paragraph on that page points out the issue that was raised generally by the Attorney General's letter and I think it probably is more of a Fourteenth Amendment issue than maybe even a state constitutional issue with the Constitution change, although it could conceivably be both and that's why I raised the question and it points out very plainly that if you do what is suggested by this amendment and go back, do not go back, then you are automatically initially picking up in the state depreciation schedule the very inequities potentially constitutional issues that was avoided, intended to be avoided by going to a state depreciation schedule. It's not going to be an issue, if I could speak to the 179 section, depreciation, accelerated depreciation where you expense. If you meet the criteria, you can expense in a single year. That, too, does not create a problem because obviously you had to have kept a record of those items in the event of recapture was necessary and you was going to sell them or trade it. Then the recapture provision of the federal income tax would come into play. The way the system works with the add back, striking the work "increase" to "decrease", the way the bill would work is that you have your item, a piece of machinery, if you had purchased it in 1989 which would then next year be, what, three years old, you simply would take that purchase price, go to the chart that is included on the bill on page 74 and 75, that machine was three years old and you take the percentage that is listed in the bill times the purchase price and you have the valuations. It's a very simple complication to make. And the important part is that all people would be started off on the same level basis irregardless of how they had applied depreciation for federal income tax purposes. Again, I will repeat that the important thing for the tie, the