

you're still have an income that leaves you subjected to that. Constitutional question was raised. Folks, 1063 is unconstitutional. If it wasn't we wouldn't need the CA. The idea behind 1060...the CA is to make the aberration of tax policy contained in 1063 that is taxing people on their property based upon their operation constitutional. So anything we do to 1063 by amendment within some minor constraints would be constitutional because the bill itself on its face under the current Constitution is not constitutional. It addresses a problem that I find existent in it and that is that 1063 will not affect me very much. It will not affect a lot of established businessmen very much except that if they've been in business a long time, it may well result in a reduction of their personal property taxes. But it does have a significant negative effect on new people entering a business or farming in that they will pay a significantly greater percentage of their income for personal property taxes than those of us that have been around a long time. Now that in the minds of many of you may be fair. It depends on your operation, but it is possible to, for that to happen. It is certainly the way it works for new people. Whether that applies equitably to old, the older, more established businesses and farms is a matter of how that business and farm is operated. No one has addressed this morning, this afternoon, the effect of 1063's new formula on the valuation of business equipment. How is that going to change relative to the system that the assessors had historically used? The old equipment will no longer be part of the base. I don't know where those figures come out. I don't know that anyone else does right as of this moment. Further complicating the issue is that we're trying to return to the property tax base locally equipment that has not been taxed for a long, long, long time and how to do that fairly and equitably and in a manner that is understandable, understandable to the people who must comply. I'll guarantee you when the county assessor faces a farmer...

PRESIDENT MOUL: One minute.

SENATOR COORDSEN: ...who expensed a \$250 used post hole digger six years ago and find that it has to be brought back on at a percentage of that value, things are not going to be happy on the local level. This would avoid that sort of thing. It does not treat business and farms different. It retains the balance of method. It applies equitably and equally to both classes of personal property. 1063 in and of itself creates numerous