

the federal government did something that was outlandish, I believe was your words, we would not be in the position that we had to accept that outlandish action by the federal government.

SENATOR MOORE: So we would delegate that authority to the tax commissioner to make that, and that would...it would be to follow it, so it wouldn't change anything. They could...they could...the decision would be for the tax commissioner to not follow federal IRS forms, is that correct?

SENATOR WARNER: Right.

SENATOR MOORE: They wouldn't actually be changing anybody's tax burden, or they would be?

SENATOR WARNER: I'm not sure I follow the question, Senator Moore.

SENATOR MOORE: Well, obviously, I mean the tax commissioner, if the federal IRS lifecycle...there was a change, and let's say it made sense, the tax commissioner can make that change...

SENATOR WARNER: Yes.

SENATOR MOORE: ...and that would have impact on somebody's taxes, correct? Or in the long-term it wouldn't...

SENATOR WARNER: Yes, lifecycle of equipment has an impact on the...on the rate of depreciation, if you go from five to seven, or seven to five.

SENATOR MOORE: You have an impact in a given year over the entire li...it wouldn't, it would just change the tax burden for a year, correct? I mean because we're still...

SENATOR WARNER: Well, Se...normally, what the feds do, and it would be the same here, that if you already have a piece of equipment that you're depreciating under internal revenue for income tax purposes, ordinarily you would have to use the same depreciation schedule you started with on a given piece of machinery. And I would expect that if the feds change a lifecycle, that that would only apply to equipment that was applied. Now, there may be exceptions to that, but generally I believe that would be the case.