

intangibles. Same way with intangibles. People live off the revenue from investments and they pay income tax if they make any money and it was determined to be good tax policy. Because if we didn't, we were told, the people would move. Indications are that people will move their businesses and they will. I understand that. But the rural person who must be in a position to own personal property and real estate with which to earn a living cannot move. And we have even crafted the bill so that in the event that they have livestock in a certain other state for part of the year, or they have machinery somewhere else for a part of the year, that the tax is divided. We're very careful about that, we're very careful about that. No one ever suggested that someone who receives \$100,000 worth of education in this state must stay in this state and practice medicine, law or whatever you want to do with it. Obviously not, couldn't be done. But we have made it absolutely prohibitive for a farmer to drive his tractor or his combine across the state line and avoid taxation. I cannot understand again, as Senator Moore has pointed out, the acquiescence of farm organizations, farm organizations which took credit for 15 years, week after week, month after month in their publications...

PRESIDENT MOUL: One minute.

SENATOR SCHMIT: ...for having removed the tax on personal property. I will read with relish their explanations as to why it was reimposed. I would suspect strongly that the courts and the Legislature will be blamed and the farm organizations will be absolved. Ladies and gentlemen, I still stand and say that we should not reverse the tax policy of the past 25 years, we should go forward. We should tax income through sales and income taxes and we should not rely so heavily upon property and I would have to say that the vast majority of the people of whom I speak tell me the same thing. What we have done now and it started back in the middle eighties, Senator Moore, with the passage of several bills and then in 1987 with the passage of the economic development bills. We have given to the business sector some extremely valuable tools and they have used them very judiciously...

PRESIDENT MOUL: Time.

SENATOR SCHMIT: ...but somewhat to the expense of the agricultural community. No one talks about having to make up the lost revenue from the 775 exemptions to local government,