

The language in the amendment indicates that that property retains its status as taxable property, it retains the basis or the cost that it had within the tax system and it retains the status as far as its position in the valuation schedule. So if it had been owned for five years, it would retain its status as property that had been owned for five years. If it had been owned for two years, it would retain its status as property that had been owned for two years, and eventually it would go off the tax rolls in accordance with the schedule set out in 1063. But the important thing is that when that property is transferred and the basis is not changed, it does not automatically drop out of the tax system. It does not suddenly become exempt property. It remains taxable exactly to the extent it was in the hands of the former owner and that, I think, is an important provision. We're not intending to exempt the property if it was otherwise taxable, but there's no reason, I would submit to you, to put it on the tax rolls at a new basis with a new life when the only event that has occurred is a death or a dissolution of some business entity.

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

SENATOR WARNER: Madam President and members of the Legislature, this is an amendment, concept at least that I had a number of visits with Senator Wickersham over the...some weeks, as a matter of fact, in which I have some sympathy. I wonder if I could ask you a couple questions, Senator Wickersham.

SENATOR WICKERSHAM: Yes.

SENATOR WARNER: Essentially, what you're...am I correct that essentially we're changing the...are we changing the definition of depreciable property or are we expanding the definition of depreciable property? If you'd address that a little more. As you know, I'm leading to another question which you could also comment on and that's a later section in the bill which identifies depreciable property as being exempt...not...property that is not depreciable as being exempt.

SENATOR WICKERSHAM: Yes. Mechanically, the amendment does alter the definition of depreciable, tangible personal property so that that definition includes only property which is purchased. Then the amendment has the definition of what is purchased and, essentially, that is any transaction for value so that that's the...that's the way you get property into the