

of the business services that were in 1120, building cleaning, maintenance, detective and security, the sign creation, interior design management, public relations and lobbying for a total of about 12 million and then the add back, the depreciation, the \$20,000 limitation except for the real estate, motor vehicles, depreciation that was stripped out of 1120 when we debated that bill for a total of \$41 million in that category. The total is \$90 million that would be raised. It would be different than any other approach so far in that it would go back in the form of a homestead exemption. So, in other words, property taxes would go up. Personal property would be exempted, but property taxes would go up. People that would be protected would be homeowners, people that we talked about trying to protect in all the proposals. Granted, there would be a minor portion of the sales tax exemptions that would be put in place that an individual would likely pay, that being the repair portion of that \$18 million figure, but other than that there would be a shift if property taxes are fine and I hear some people saying property taxes are fine depending on how you pay them. The shift would be to business and agricultural in the form of real property taxes that they would be paying. The difference here is that in the more rural areas there is going to be very little shift just because of the nature of what was paying personal property tax prior to this, those being businesses with business equipment. Most of them, more than likely, were down to the 20 percent level or the very base and there's going to be very little shift in the more rural areas. Where you're going to see the shift take place under 1063 is in the urban areas where there was even at 20 percent, the very lowest level at approximately 35 to 40 percent of reporting compliance, if you will, with the old tax. The shift is going to be, as I showed on that handout, even with the assumptions that were handed out along with it in the more urban areas and I want to try to protect that. I believe that that is what 1063 is going to do. It's going to shift the burden in the urban areas from business to residential homes and no one has disproved that to date. What we do here is at least say that if that's going to happen, first of all we do take a different approach and say we're going to exempt all personal property, but we try to protect the homeowner through the homestead exemption of up to \$10,000. I don't believe even with the numbers that we ran on the county by county basis in the previous handout from a week or so ago that the, I think a couple of the counties were in the Speaker's district, that would have been hit the hardest. I think even under the \$10,000 exemption those counties will be protected in