

don't we take it off the personal tax also? I move the adoption of the amendment.

PRESIDENT MOULI: Thank you, Senator Schmit. Senator Schellpeper, followed by Senator Elmer and Hall. Senator Elmer. Senator Hall.

SENATOR HALL: Thank you, Madam President. I rise to oppose Senator Schmit's amendment. The...although I appreciate the nature, I guess, of the intent behind it with regard to clarifying the issue behind exempting personal property as it relates to farm machinery, it brings us back to the whole issue and that's what the debate is about, if it's a debate I guess at this point, is whether or not personal property is a viable tax source. It has not been and over the years we've exempted it. It wasn't last year and the body did not I guess come to a screeching halt over 829. We decided that it was probably the best proposal to date. And then subsequent court decisions came down and the decision was whether or not we were to tax personal property to some extent or not, and the whole issue revolved around whether or not inventory, as it has been known, was a viable revenue source. I guess I would argue that, you know, there is approximately I think 11 other states that currently tax inventory, some kind, or some way or another, some percentage or another, inventory is taxed. The, you know, businesses continue to operate in those states. I think a few of them may even have some farming operations there where they tax inventory, but the issue is that we have gone about looking at this problem or addressing it with the intent to try and tax personal property of some type and somehow, you know, the depreciated method was arrived at. First, it was brought by I think it was Senator Lamb through his comments to the subcommittee, and then the net book value approach came out of the Revenue Department. The Revenue Department, you know, has, after bringing that forward, has brought very little else forward to substantiate the numbers behind it, but brought that forward and we have charged ahead as a net book value as a possible way to tax personal property. I mean the whole basis on the issue of local control and local base, I mean the one thing I have said from day one with regard to the debate on 1063 as opposed to 1120 is that it's one...the one aspect of it that works well is the fact that it's retained at the local level. The problem is, is that the revenue raised from it is going to be limited. It's going to be cyclical in terms of how it comes in. Folks who depreciate property will write that property off.