

burdens at all in its application. What it does is it recognizes the federal tax system and the use of depreciation in ones income tax return. That's really what it does. It doesn't recognize the equity or the ability to pay. It doesn't recognize the similar nature or similar situation of two taxpayers. I think the real problem that you're going to see, even though, you know, the argument has been, and will continue to be that this taxes some individuals that should be taxed, who can afford to buy large pieces of equipment. The flip side of that is that all of us want to have those rural communities continue to survive. Those rural communities have sprung up, have been maintained and, frankly, hung on by their fingernails because of the rural economy, not because of the large operators, but because of the small operators. Those small operators are the ones that are going to be hit hardest by this. Yeah, I think ag...agriculture ought to pay a...a greater share of the cost of the tax base, I had that in 1120. But it was in the sales tax side that allowed for some discretion. There is no discretion in terms of 1063 as it relates to the net book value. I guess, sure, the discretion is if you don't want to buy...purchase equipment. But that discretion doesn't exist for somebody who's starting out. It's not available, it's not there, that option doesn't exist for that purchase. You buy it because of the federal benefits that are derived through the depreciation table, you're forced to pay that local tax. And that is...I think that shows that one portion of 1063, and there are many portions to it now in its form as it sits before us presently, but in that portion of it, the large revenue portion that deals with the net book value, you...

PRESIDENT MOUL: One minute.

SENATOR HALL: ...have a very, I think, inequitable tax system that you're creating, and it violates, you know, the first of the McClelland Principles. The second principle deals with the issue of economic neutrality. Says that taxation must promote the effective operation of a competitive system without distorting economic activity. What does that mean? It means that the tax should not be put in place to, I guess, influence decisions that are made. It should be a tax that does not throw the system, as it would normally operate, out of whack. I guess you can argue that maybe 1063 doesn't violate that issue of economic neutrality. But I guess my argument would be that it does in that it...