

SENATOR SCHMIT: Yes, I yield, Senator.

SENATOR DIERKS: Senator Schmit, am I correct, this amendment would take breeding cattle out of the property tax category?

SENATOR SCHMIT: Yes, what I am trying to do, Senator, is to classify beef cattle as inventory and, unless I am mistaken, the last version I saw of the constitutional amendment states specifically that inventories shall be exempt from taxation. My major concern, I will speak more about it later, is that this guarantees that forever inventory will not be taxed. The businessman can go home and relax. He can buy his business, he can expand it without concern about taxing the inventory. Whereas the livestock and farm equipment are open to tampering from the day we walk out of here, in fact, they are open right now, and there are those of us who would like to think, particularly among the rural legislators, Senator Dierks, that this is the final version of the personal property tax bill, that even if the courts leave it alone, which I think they will not, even if it is never challenged, which I think it will be, you can rest assured that other legislators will come back next year and will want to expand the taxes upon livestock and farm equipment because they have got the votes. They have got the votes, ladies and gentlemen. Give me the votes and you can steal the state. Now I have spoke with some urban senators over the last several months and they have said repeatedly, we don't know why we give you anything. We have got the votes to do as we please. We are just being good guys. Senator Nelson...

SENATOR DIERKS: Senator, I appreciate your answer. I thank you very much. I guess what I am trying to do is offer support for the amendment. I think that Senator Schmit has struck a very pure note here as far as what we are doing again to agriculture, and especially to young agriculture, because those young agriculturists are the ones that are going to be buying these livestock, these breeding livestock, and then they are the ones that are going to be looking at a tax on those cattle where the people who have been involved with breeding cattle for a number of years probably, for the most part, are not going to do the depreciation schedule. There will be a few but I think that you are really aiming this legislation in 1063 at the younger, the newer people in the business, so with the amendment we take this breeding livestock off of the inventory, or put it on inventory and take it off of the depreciation schedule, and I have to