

SENATOR HALL: ...a fair interpretation that would argue that the equipment does not have to be depreciated in order to receive that. Even though you might have to list it as a piece of personal property on the form that you file with the county, it does not necessarily have to be depreciated under one interpretation of "and" as opposed to "or" that is in section 3, and if it has been changed in a subsequent amendment, that's fine. I'd be interested in knowing that because I think that could cause problems because it doesn't appear to be a uniform application. Thank you.

PRESIDENT MOUL: Thank you, Senator Hall. Does anyone else wish to speak to this amendment? Seeing none, would you like to close, Senator Schmit?

SENATOR SCHMIT: Madam Chairman and members of the body, it is always interesting that when we start to look at these bills, we begin to raise questions that we never ever expected to raise otherwise. The question relative to the equipment, and it is relatively simple, as Senator Warner has answered it but, at the same time, it's pretty easy to see that if I, as a farmer, buy a chain saw and apply for the personal property tax exemption that I am going to have to pay personal taxes on it. Whereas, if Senator Hall buys a chain saw for his wood sawing business and decides to cut firewood in his spare time, pick up a few bucks, Senator Hall can say, well, I'm just going to expense it. And he will then not, of course, be taxed on the personal property basis, nor will he...but he will have to pay the sales tax. My problem with that is this, it leaves up to the...it leaves in the hands of the minds of the taxpayer what direction he or she will go. Now it's not so bad with a four or five hundred dollar chain saw. But then let us suppose that you move into some other area. Let us suppose that you move into an area of large, heavy equipment that can be utilized back and forth. We talked about the lack of equity and other problems that develop because if the railroad...if the Burlington owned a 40-20 John Deere tractor and I owned a tractor, that the Burlington paid tax on it and I didn't. Well, I would predict that you might have the same thing happening here because the railroads are not going to have to pay sales tax in the first place. So, therefore, they really don't care what happens to as far as the sales tax is concerned. But if I...if I buy a piece of heavy equipment and I pay the sales tax on it, then I have to depreciate it out. The railroads can buy it, not pay the sales tax and expense it. It