

a ton up to \$250 a ton. So the differences in the actual amount that is being taxed that you put on makes a great disparity in the tax per acre. The difference between two types of nitrogen materials when you apply 150 pounds of nitrogen for example, one would pay around \$1.00 an acre on the tax to put on 150 pounds an acre. The other would pay 35 cents an acre to put on 150 pounds of nitrogen. It seems to me that we should look at this if we're going to continue a fertilizer tax and avoid the type of problem that the \$4.00 a ton flat fee brings forth and consider a percentage of the sale price so that no matter which type of material you used, if it was low in analysis or high in analysis, you would be paying basically the same amount of taxes per acre when you put it on, and I think that would be sensible. As it is, it varies very greatly and it taxes unfairly certain types of materials. Thank you, Mr. Speaker.

SPEAKER BAACK: Thank you, Senator Elmer. Senator Schmit.

SENATOR SCHMIT: Mr. President, I would like to continue briefly on the same line of reasoning as was opened up by Senator Owen Elmer. Senator Elmer, because of his fertilizer experience background as a dealer and a distributor of that kind of product understands better than most of us the disparity in the taxing system that is embodied in a flat \$4.00 per ton tax and I guess that I have touched upon it earlier when I referred to the amount of active ingredients versus the inert materials and my question is, in this instance, Senator Hefner, you have experience also with fertilizer, chemicals. Do you accept the premise that a flat \$4.00 per ton tax is a fair tax whether it is assessed upon anhydrous ammonia which is 82 percent nitrogen as opposed to liquid nitrogen which is perhaps only 28 percent nitrogen? In effect, we would be taxing one at three and a half times the active ingredient rate of the other, and is there a possibility that that might encourage the use of anhydrous fertilizer as opposed to liquid fertilizer and, speaking personally, there are many times when I prefer the liquid fertilizers over the anhydrous because of soil types and because of the possibility of excessive leaching of the higher analysis fertilizer. Do you think that this is a fair, is now a fair tax, a flat \$4.00 per ton tax regardless of the compound of the materials?

SPEAKER BAACK: Senator Hefner.

SENATOR HEFNER: Senator Schmit, I'll try to respond to that. I