

we are headed toward a confrontation in a way. I just simply want to say I support the amendments, but I guess we just as well go to the bottom line, and I would be interested in comments if those who want to put all personal property back on want to tax the tools of production, which that is my defense. And we ought to be talking truly about broadening the tax base and go all the way and tax intangibles. Realizing it is impractical and I'll hear a million reasons that we can't do that, but, if in fact, that we are going to truly broaden our tax base and really tax everybody based on the somewhat ability to pay, and of ownership of assets, whether it is a tractor or a plow or a cow or a sow or a stock or a bond or a CD, however others earn their money other than their labor, then let's truly tax it all, and figure out some way to do that. Let's apply it across the board. That is my only defense. Actually, I probably would accept putting it all back on if we truly went all. And I would be interested in those that are talking opposing this at this time to really state their reasons why we can't truly broaden it and put it all on. I missed Senator Warner's explanation of the history of intangibles, and I would give up my whatever time is remaining if you would want to give it, Senator Warner. It has been my impression that intangibles were taxed years ago. I don't know the datelines, and they were taken off, and if...when was that done and why, and I know some of the reasons why. Perhaps I don't know them all. But if that is the case, if we are looking at tools of production, I consider a CD in a form of production of some person, or a bond, or a stock. Senator Warner, would you have any comments on the history that you gave at the hearing, or if you prefer not to, that is fine. I will turn the time over to you.

SPEAKER BAACK: Senator Warner. You have about 2 1/2 minutes.

SENATOR WARNER: Well, Mr. President, members of the Legislature, one of the bills I introduced during the special session did make it possible to tax intangibles and the reason for putting that in the bill was the discussion that came up a number of times during the regular session, and I was somewhat concerned that there would not be a public hearing addressing that issue, which I thought people might want to respond to. Obviously, the exemption for intangibles was enacted in 1967. Actually, it was based on constitutional amendments that had been adopted earlier and was out of recognition of the fact that the rate, which was not particularly high, it was four mills on stocks and bonds and two and a half mills on cash in the bank,