

of assessing a value for tax purposes in statute for business equipment which has been taxed singularly, I believe, among property, personal property for quite a number of years. To arrive at a uniform value then, the State Association of County Assessors have agreed to a common formula to use and with respect to that we called six county assessors scattered across the state in urban and rural constituencies and it seemed that they all use this same method and that method that's currently used for assessing of value by the assessors to business personal property is that it's self-reported by the business owner in the year of acquisition and it is placed on a tax assessment depreciation schedule, has nothing to do with the federal income tax depreciation schedule, and the first year that an item is used in the business it is assessed at 70 percent of the cost. Each year for the following nine years, it's depreciated for tax purposes at the rate of 5 percent a year ending up at the end of the 10th year of ownership if it's still in use in your business at a tax value that is 20 percent of the original cost and it remains at that until you no longer have that piece of equipment in use in your business. Now for computers and other short lived equipment of that type they have agreed to a five-year schedule with roughly the same scenario. Now my concern...and I have expressed it a number of times, is that we face quite a lot of danger in providing the opportunity for a different method of assessing a value for farm equipment than what is being used to assess a tax value for business equipment. It's my contention that we need to provide guidance. We can't mandate, I believe I agree with Senator Warner, mandate to the county assessor how they do it but we can provide guidance through statute on a suggestion of how they do it. The rest most certainly would be decided by court cases. Apparently the business community was well enough satisfied with the method that the assessor had been using for years that he was never challenged on any grounds. So, at least, if it has been, I'm not aware of that. So I'm supporting the Warner amendment because of the necessity, as he so ably indicated, of having a set of guidelines out there, suggestions to the, I believe, 92 county assessors as to how to go about this process. But, at the same time, I'm quite concerned that our method of providing that suggestion might well not be...

PRESIDENT MOUL: One minute.

SENATOR COORDSEN: ...uniform, equitable, fair among what could be considered like types of property. Thank you, Madam