

disagree with some of the arguments that were made in support of outright exemption, but, in my opinion, what we're doing is opening the system up to abuse, because it's going to be up to a dealer or auction person, you know, if it's true, the purchaser will say, yeah, I'm production agriculture and I don't have to pay a sales tax. Somebody is going to have to follow up to see, in fact, that that's accurate. It's going to take more people to do it, or it will allow abuse to expand. And if abuse starts to occur, what's inevitable to happen is one of two things, either it will be taken away because of the abuse or will expand the exemption because of the difficulty that I believe this is going to cause. I'm going to have to acknowledge, and it's been mentioned by others on the floor, production agriculture had a benefit out of 1063 on a refund on sales tax that it's the same piece of equipment purchased by someone not involved in production agriculture did not have. And I think that one who farms that while there is some additional burden, perhaps, that the process as it was passed in order to protect that exemption for production agriculture, I think that the system that we had in place is superior, less chance for abuse. And, in the long run, if you have a system that has less chance for abuse, it's more likely to be maintained. And it's those reasons, while I had and do have sympathy and support for the committee amendment as it now stands, I will not support the adoption, nor will I support the bill.

PRESIDENT MOUL: Thank you, Senator Warner. Senator Hall, followed by Senator Schmit and Nelson.

SENATOR HALL: Thank you, Madam President, and members, I rise to just say ditto to Senator Warner's comments. What you have done with the adoption of Senator Moore's amendment, as well intentioned as it was, is created a whole new set of problems in terms of how do we go about establishing that base for personal property. There will be a shortfall, a reduction in the amount that is created. You all know if you've ever traded an automobile, how it works, the value of that car, even though they have reduced the price, based on how well you were able to negotiate the cost of that car, you've got a \$15,000 car, you've got them down to 13 and you trade a \$3,000 car, all of a sudden the value of that car that you traded in went to 5,000 for purposes of reducing the sales tax that you owe on that car. That's exactly what's going to happen in a little broader and a little more expensive way and a little different manner when you're dealing with personal property and farm implements.