

SENATOR HALL: But I have already paid income tax on that. I had loaned the...I loaned my committee the money and because I could not raise campaign funds to pay that loan off to myself,...

SENATOR BEUTLER: Senator, you don't pay the tax on it at the time that it's loaned to you.

SENATOR HALL: No, but at the time I earned it, I did.

SENATOR BEUTLER: At the time that you earned it. Well, that's the same as anybody else who contributes...

SENATOR HALL: Exactly, I earned the money, I paid income tax on it. Okay, now I'm a candidate. In order to run my campaign, I loan to my committee \$10,000, okay, and then I cannot raise enough money to pay off that loan, so I forgive my campaign, the loan. According to this bill, then income tax is due on whatever portion of that loan, under this act, that has been forgiven.

SENATOR BEUTLER: Senator, there's nothing new about that concept. I mean, a campaign committee is a different entity, it's not you. It's a...

SENATOR HALL: Well, no, wait a minute...

SENATOR BEUTLER: ...it's a completely separate entity. It's completely legitimate just as we do with corporations, just as we do with a number of different types of legal entities to tax them at such time as they have income.

SENATOR HALL: I understand it is not me per se, but, in effect, I have...I'm penalized if I want to loan my own campaign money. I mean, if I forgive that loan.

SENATOR BEUTLER: No, you're not.

SENATOR HALL: I'm not? I'm not penalized. I have to pay an income tax on the same source of revenue twice.

SENATOR BEUTLER: Well, another person who pays that into your campaign...