

exemptions this year to six million, and I guess I want to feel comfortable that what we are doing is entirely in accordance with good tax policy. And in that regard, I guess I would like to start with some basic questions, which, I guess, I would like to address to Senator Warner, to begin with, if I could, Senator.

PRESIDENT ROBAK: Senator Warner.

SENATOR BEUTLER: It seems like every couple of years, I keep addressing the same questions to you, but I forget and you don't, so I need to do that. But the first question is, basically, this, somehow it always confuses me that we end up with these categories that are somewhat narrow, and continually there are these requests for exemption on these categories. I assume, and maybe this is not a correct assumption, but you can correct me, I assume that the basis for this exemption or the justification for this exemption is that these are inputs into the development of some kind of final product, and assuming for the moment that that is the justification, why is it, Senator, that we just don't have one or two sentences that says that anything that is an input into a final product, whether it be a live product or a dead product, is hereby exempted? Can you just kind of get into the philosophy of all that for me because I think that maybe this is a good bill, but there are two questions; one, philosophically, are we treating everybody fairly if we do this? Maybe we are treating people more fairly if we do this, and I'd like to hear that, if that is the answer. And the second question is the pragmatic one. We have some idea of how much this one is going to cost us. If we follow the principle enunciated as the justification for this bill, are there a long string of exemptions that shall be...that will be forthcoming shortly every year hence until we've gone through a series of multimillion dollar exemptions and we are down to the point where nothing that is manufactured or constructed or grown, dead or alive, is taxed with a sales tax? Could you just reflect on those items for me?

SENATOR WARNER: Yes, Senator Beutler, thank you, and your discussion is certainly appropriate. As I have indicated before, we've attempted in the committee to develop some guidelines to be used in addressing tax policy generally, but on the sales tax, specifically, and certainly one of those guidelines that have been, which is really consistent with what we've done since 1967, which is to not apply sales tax to