

you remind me again with regard to equipment? Why tractors don't have a sales tax on them and why the equipment related to other kinds of businesses do? And could you remind us again on what businesses have their equipment taxed and what businesses don't?

PRESIDENT ROBAK: Senator Warner.

SENATOR WARNER: There is...there is some equipment...as far as I know, virtually all business, including agriculture, pays sales tax on some items, such as the typewriter. Office equipment would not be any differential that I can think of. The practice perhaps is the word to use when the sales tax went off of personal property totally back in what, '77. At that time, business equipment was left on the personal property tax rolls, everything else went off. And the sales tax on equipment, farm equipment, was there from the beginning and the argument was that it was going to be taxed just once, obviously, it's not the same as if...Senator Jensen just reminded me I can go buy a tractor and not pay sales tax and you could buy the same tractor but to use it in construction you do pay the sales tax. And that's been the policy for a great many years. If you ask me to defend it, that's hard to do. I can defend it politically. That's why the decision was made at the time and at the time, as I recall, in '77 they just simply did not have the additional money or it was not believed they had the additional state funds to reimburse local government if you added that to it, plus I guess it wasn't the political pressure for it either. In the case of agriculture, it was to tax it once, that was the argument.

SENATOR BEUTLER: Okay. So...and that includes, what kinds of equipment are exempt under that...under that provision? Farm implements of...or how is that worded?

SENATOR WARNER: The only thing I recall...yeah, the only thing I recall it's defined as equipment used in agriculture.

SENATOR BEUTLER: Equipment used in agriculture? Okay.

SENATOR WARNER: If I buy a lawn tractor, I would pay sales tax, at least I do. I can use it on my farm but I don't consider that farm work.

SENATOR BEUTLER: Okay, so there is a personal property tax on