

would like to ask Senator Warner a question, not about food and feed because he knows the difference, I'm sure. Senator Warner,...

SPEAKER WITHEM: Senator Warner, can you respond to a question?

SENATOR WARNER: Sorry. Yes.

SENATOR CHAMBERS: In the past, you and I and others have spoken against allowing local divisions of government to take away our taxing authority by giving them too much power to levy sales taxes. Is that a correct statement of a position you have taken?

SENATOR WARNER: More clearly, my position is that I would be opposed to the state giving away a part of its tax base by giving away the rate setting.

SENATOR CHAMBERS: Okay. I listened and it was clear and I hope others paid attention. Now I'm going to ask you this. Would there not be two ways that the state can give away its tax base? One is in giving away part of its taxing authority, and the other is restricting the items on which a sales tax could be placed.

SENATOR WARNER: Yes.

SENATOR CHAMBERS: But in this instance you're willing to erode the state's tax base by allowing these exemptions?

SENATOR WARNER: No, the difference that I've been trying to, obviously, not well, Senator Chambers, is that the broad concept, and I understand there's contradictions in those statutes, they're full of them, but the broad concept that we were following that this was one of a business input and the broad...

SPEAKER WITHEM: One minute.

SENATOR WARNER: ...(inaudible) policy is that you're trying to avoid pyramiding of sales tax onto the eventual consumer cost of the goods, just as we do not tax sales on goods that are being held for resale, that would be a pyramiding, and...

SENATOR CHAMBERS: All right.