

and what is bad for us as far as food products. The main issue that I guess we're discussing here turns to water, or becomes an issue about water, and I happen to believe that taking the term "water" out of this bill probably would cause a great deal more problems than it would solve, and so for that reason I stand in opposition to the Beutler amendment. Thank you.

SPEAKER WITHEM: Senator Warner, followed by Senator Beutler.

SENATOR WARNER: Briefly, Mr. President, I believe Senator Maurstad was correct in suggesting that the sales...the recognition here is a recognition of potential sales tax that might be furnished by a water district would be exempt, and it is not an unusual distinction for agriculture as I think there was reference already made to water on page 4, where there is an exception for those items that could be subject to sales tax, water for irrigation and for manufacturing purposes, which is an input cost there, and then the part that is struck, we dealt with water there, too, for animal life that eventually was for food, so that is stricken but reinserted in the first section. So the...I imagine that the reason that was put in, in the first place, is when water was the concept of a business input and was applied equally to manufacturing as well as agriculture.

SPEAKER WITHEM: Thank you, Senator Warner. Senator Beutler.

SENATOR BEUTLER: Senator Withem, members of the Legislature, whereas I don't think that you can sell the water, per se, it is certainly true that you can sell the delivery system for the water, but I think that illustrates again some of the problems with this bill. If it is not the water you are selling but the delivery system, then it is not a component part of the final product. There is no problem with border bleed on this sort of thing, and if this is...if this delivery system is a business input, then I suggest to you that that even broadens the idea of business input even more, and that's kind of the point I wanted to make, that there are things in here that even have less justification than what is being suggested today, but none of them, really, have any justification. Thank you

SPEAKER WITHEM: Senator Beutler, you are recognized to close on your motion. I should have asked you if you wanted to count that as closing, but I didn't, so you are recognized to close.

SENATOR BEUTLER: Senator Withem, what I think maybe should be