

increase in the sales tax, off hand?

SENATOR DIERKS: No, not specifically.

SENATOR CHAMBERS: If this exemption is granted, would that make a smaller universe of items available for sales tax? We're reducing the number of items that will carry a sales tax. Would you agree?

SENATOR DIERKS: I see. Quite possibly.

SENATOR CHAMBERS: And if those items cannot be taxed, the revenue that would come from taxing those items is gone, would you agree?

SENATOR DIERKS: The revenue from taxing the items is gone?

SENATOR CHAMBERS: Yes, the tax revenue is not there anymore.

SENATOR DIERKS: The tax revenue, that's correct.

SENATOR CHAMBERS: If that revenue had been factored into what the state is going to spend overall, that amount would have to be made up in some other way, wouldn't it?

SENATOR DIERKS: Yes. Can you tell me what that way would be?

SENATOR CHAMBERS: Well, you're anticipating my question. I'm asking the questions. (Laugh.) Now Senator Beutler had suggested on other occasions that when...well, maybe he didn't, I don't remember if it was Senator Beutler or Senator Wesely, but I can stand corrected, that when an exemption or some tax benefit is obtained, then the sector receiving that benefit can tell how it could be made up. Would you agree that that would be not put in statute, but would you agree that that would be a good policy, even if informal, that maybe we should consider placing upon the ones who seek the exemptions?

SENATOR DIERKS: I think that's a good way to put it.

SENATOR CHAMBERS: So which bills on here would you say we should not pass in order to make up the revenue that will be lost if this exemption is granted?

SENATOR DIERKS: Well, what we've done already, Senator