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SENATOR SCHIMEK: Senator Baker.

SENATOR BAKER: Thank you, Madam Chairman. We need to back up a couple steps here. If we're talking about something just because it's popular, let me tell you why we should do this. Because of fairness. When a person goes out and buys a capital item, be it a tractor or a computer or a desk, you have to pay for that. It's an expense to their business. And the way the tax laws are set up, you can't deduct that. You have to depreciate it. Other than the Section 179, and Senator Coordsen's about right, it's \$18,500 this year with some income guidelines thrown in there, but that's going to be added back in to the bottom line, the way this bill reads. It goes back to fairness, as I started. When I go out and buy a tractor, that's an expense and I cannot deduct that off of my income, as such, except through depreciation. That's how I pay for the thing, is probably through payments, in our case, and depreciated over a period of seven years, in the case of a tractor. That is a legitimate expense to my business. If somebody else has some other sort of business and they can go out and buy paper or whatever for their law practice, whatever, they can take that write-off. You don't have to depreciate those things. This is a legitimate expense deduction through depreciation to a business and it's not being followed by the courts. They're throwing this depreciation expense out and saying it's not really an expense when, in fact, it is an expense. That's how we recover these things, since they are not deductible items when we buy them. It could be a building, and some of those are depreciated over 30 years. And it is an expense, they have to be paid for, but the way it is now the courts are not recognizing that as an expense off of a person's income. They're adding it back on when they figure child support. And, obviously, somebody who makes a capital purchase has to pay for that and usually over a period of time, probably following the guidelines set by the IRS in some cases, whether it's 7-year property, 5 or 10 or 15, whatever. So it's not just a...it's a popular issue. It's an issue that's been brought forward because it needs to be addressed, self-employed people, and it's not a farm issue particularly in its own sense. It affects any person who files a class...or a Schedule C or an F, either one, anybody who has depreciable property. And, of course, nobody has depreciable property unless they're using it as a business