

used to do it, but it has been quite a while since I have. Whenever I am asked what do I think an equitable tax system is I always anymore answer, the broader the base, the more things you can tax, the lower the rate and the greater the equity because every tax has inequities, but those inequities become too much of a burden as the rate goes up. Every time we do exemptions we narrow the base a little bit more. Did some more this morning. Every one of them is a worthy purpose. I've never known an exemption yet that wasn't a worthy purpose. As I understand what the committee has proposed, it is not to repeal the exemption. It's a pure and simple thing. If it's right to do the exemption, and I doubt it, but if it is right then it's right to do it right and the way you do it right is let them apply so there is no question that they were eligible to receive the exemption. We passed legislation two years ago you may recall, I don't think anybody pays any attention to it, The Tax Expenditure Law. The Department of Revenue files every year, I think it's every year or every other year, the amount of tax expenditures which are all these exemptions essentially that we've done over the years. It never ceases to amaze me how the low tax rate could be if we didn't have so many exemptions, how much less inequities there would be if the rate was lower, and yet we continually want to narrow the base for worthy purposes. Everything I have read, and it's been argued many times, there was articles this weekend, Sunday papers, the benefit of enticements by tax gimmicks is not the way to have substantial economic growth. It's a little sales gimmick, but it is not that major in the decision making process on everything I have read. Here it's even worse because you only are picking where expansion might take place for new equipment, as I understand, new business at the expense, generally those who are already here, makes no sense at all. I would urge that you would retain the committee amendment as it is. You're not hurting those who you think you are benefitting. You'll know who is being helped. There is less chance and probably no chance, but certainly less chance of misuse, less administrative costs. It makes a great deal of sense so I would hope that the body would reject the current amendment and retain the approach that the committee has suggested.

SPEAKER NICHOL: Senator Labedz, then Senator Abboud.

SENATOR LABEDZ: Thank you, Mr. Speaker. When I worked for the Department of Revenue there was absolutely no way that