

personal property. That is something I don't think the voters of the state will ever buy nor, in my opinion, should buy.

SPEAKER BAACK: Thank you, Senator Moore. Senator Withem, you are next.

SENATOR WITHEM: Yes, Senator Baack, members of the body, this is an amendment that, frankly, I assumed early on in this discussion that ultimately we would be supporting and adopting, but I don't think we can, and in some ways I feel bad about that because of all of the potential shifts you can make in 1063 to bring on more support, this is really one of the cheapest, but it is also potentially one of the most dangerous, in my opinion, because...grant for a second Senator Moore may have made some good arguments about the depreciation methodology and what its actual effects would be, and Senator Hall may have made some good arguments about financially what is out there versus what the Department of Revenue has projected. All of those may or may not be valid arguments. I do not know, but the one thing I do know is we have gotten in trouble, where we have gotten in trouble with the courts is establishing a general rule of how we will treat property and then making specific exemptions for specific types of property from that general rule. And I think it is important that we apply the general rule. The general rule we are applying is depreciability. If is on a depreciation schedule that is depreciating personal property, it will be treated the same as all other depreciating personal property. If we don't do that, if we treat one particular category of property differently by name, carve out an exemption, we are inviting a challenge on the other end of the spectrum in terms of equal protection or, at the very least, a 4-R challenge that we are not allowing the railroads. I suppose you'd make the argument the railroads don't have to pay taxes on any of their livestock either, but that isn't how the courts usually make application to this principle. Second point I would make, I don't know if this has been made or not yet, in the area of livestock, as I understand it, ranchers, dairymen, hog farmers, cattle feeders, all have various choices on how they handle their income from that operation and then how they write it off. Some of them carry losses forward. Some of them put it on depreciation schedules. Some of them produce their own breeder livestock, and under this scheme, under 1063, one of the positive aspects of it is that the individual makes the choice. If they claim it as an expense and put it on a depreciation schedule to achieve the federal tax benefit, then it goes on the