

hole, as Senator Hall would say. The basic tenets of 1063 as they were established was not a definition of property by name and specific type of property other than how the taxpayer elects to choose that property be used for taxation purposes. It has nothing to do with cows. It has nothing to do with cash registers. It has nothing to do with any particular item of specificity. What it does have to do with is the taxpayer's election, his choice of how he wants to use that property, and the difference between one cow on one side of the fence and a cow on the other side of the fence is nothing more than the taxpayer's decision to be able to shelter or at least forego paying income taxes now by using this particular accounting technique to depreciate that piece of property. And under the IRS codes, we allow livestock to fall into a category that if you would like you may depreciate that property for a period of time and forego any income tax. I think if you talk to almost any accountant that is operating since the Tax Reform Act of 1984, they would tell you, you are just crazier than a hoot owl for trying to depreciate livestock. First of all, they have given it such a short life and, two, in almost each and every case when you buy a young heifer and put into the breeding category and then sell it out as a canner after four or five or six years, you are then going to end up having to recoup and recapture all the depreciation that you had and pay the applicable tax, which, in many cases, will put in a higher tax bracket than you had been had you not been depreciating that particular livestock for that period of time. But there are still people doing it out of old habits and out of other manipulations and attempts to try to beat income taxes. Without question, no matter what the property taxes is, no matter what the sales taxes are going to be, the federal income tax is the big bugaboo for almost any taxpayer that is out there, and they will try to structure themselves to address the federal tax purposes first. As far as the depreciation that is applied to the livestock, I have seen some of the numbers. I really question whether or not, under the direction of most accountants in the state today, that those numbers are even as large as they seem to be. But it is not a question of a specific type of a piece of property. If you go back to when we were first starting to wrestling with this, we were trying to define real estate, personal property in the Constitution, and in some of the statutes of years ago trying to talk about the fixative nature and the various kinds of things that we have defined property over the years. What I think the strongest part of 1063 is that it no longer looks at the property specific but