

Legislature, Dick Helvey, who is the guy who has suffered the difficulty in this case, is a very nice guy and he's been around a long time. I know that when Vard Johnson was Revenue Chair, Dick's case was brought to us by John DeCamp as a, I believe, as a lobbyist on Dick's behalf and made the argument and tried to make much of the same change in our statutes at the time, and the Revenue Committee chose not to do so. I think the best point that Dick's got going for him is that there is, in fact, very uneven application of whatever the rule is. And on that score, I think it's very obvious that our assessors are not treating this in an even-handed manner across the state and, in that sense, there is an advantage...a benefit of making a clear, distinct answer, as Senator Hall is doing. I would choose the other answer, however. I would choose to treat not only these cases but the ones that are going untaxed as taxable. To vote for the Hall amendment basically shrinks the personal property tax base and moves it on to real property. And the arguments are very nice, I mean, it's a kind of a tiny, little argument; you may not like it. If you're a rental place, what is your inventory? Is your inventory the items that you rent or is that your business equipment? Because if it's your business equipment, it's taxable. If it's your business inventory, it's not taxable. What is a rental store selling? Because what it sells is its inventory. And the reason that in the past the Revenue Department has resisted this...this argument that Dick's made is because they have said what a rental store sells is the right to use something. They don't sell the good. The good is a piece of equipment and what you are renting is the right to use the equipment, that the inventory is actually the right to walk in, take something, take it home and use it, and that's really what a rent to own place sells day in, day out, and that the material that the company, in fact, rents is not its inventory, it's its business equipment. Business equipment taxable, business inventory not taxable, the Hall amendment moves this into the inventory and not taxable range. Net effect is we move stuff that is taxable personal property into the nontaxable business inventory category. And Dick Helvey is quite right, the assessors are all over the map on this one. If I had my druthers, I would take rental locations, treat them as business equipment and tax them as personal property rather than treating them as inventory, narrowing the tax base and putting it on real property. That's the net effect. So it's a close call and it's a very, very good line of argument that Senator Hall has already made but, for me, I happen to choose the other side of the coin. What is clear is that we probably need an