

SENATOR CHAMBERS: ...when it's rented.

SENATOR HALL: ...the sales tax...the sales tax provision is not touched by this. All we do here is change the definition of business inventory so that these types of rental objects would be considered business inventory, which is the way the Uniform Commercial Code defines it.

SENATOR CHAMBERS: But, in a sense, it is partially sold every time that it's rented, so it's not...

SENATOR HALL: Correct.

SENATOR CHAMBERS: ...it's not really inventory.

SENATOR HALL: That's correct. It would be similar to a...take a six-pack of pop, if it's sold a container at a time, that six-pack is gone after the sixth one is sold. That drill might be used six different times, it may be worn out, and sales tax is collected each time that it is rented, but the useful life of that product is gone, it is...the inventory of its useful life is used up and it is no longer there.

SENATOR CHAMBERS: But there...there's a possibility that some of these items could generate far more revenue or income by being rented instead of being sold once.

SENATOR HALL: Oh, that's correct. Clearly, the advantage is to, especially if an individual shop owner takes care of their property and keeps it up, not only is there more income to them individually but there's probably more income to the state and local government through the...if they have the sales tax base at that local level.

SENATOR CHAMBERS: I'm not sure really on this what I will do, although I'm just one vote and on this one I don't think one vote one way or the other will make a difference. But I just haven't got a complete enough grasp on it yet to say that I would support the amendment, but I am clear on what it is you're saying now.

PRESIDENT ROBAK: Thank you, Senator Chambers. Senator Hall, your light is next.

SENATOR HALL: Thank you, Madam President, and members, again,