

SPEAKER BAACK: The committee amendments are adopted. We'll now go to the bill. Senator Warner, would you like to open on the bill?

SENATOR WARNER: Mr. President and members of the Legislature, I might respond to Senator Beutler's question first. Under the current law section that there was no penalty other than a criminal penalty with...against a dealer if they manipulated a sales tax improperly and it's, obviously, a criminal penalty, it's much more difficult to prove. This puts in place a simple penalty but does have to be an intentional manipulation and misrepresent the sales price, at least so I am told. In the bill itself, there's a great many minor adjustments most of which are clarifications. But I'll go through at least part of them if you will follow through in the bill book. One, Section 5, which would allow the department to round off accounts to the nearest dollar and wipe out accounts of less than \$1. And there are some 11,000 of those, obviously, to do something with those would cost more than the dollar amount that would be...or the amount less than a dollar that would be in them. Secondly, it would give the Department of Revenue authority to charge for...at cost for people requesting list of nonconfidential material, put in the revenue...Department of Revenue to miscellaneous Cash Funds which would be consistent with what we do in a great many departments. Another, it would disallow interest if a refund is paid to a taxpayer within 90 days of filing an amended return. It changes the reference in the sales tax statutes from sales of tangible personal property to just taxable sales. The old tangible personal property is a definition that was in there since 1967 and there are a number of areas where transactions with sales tax is applied, and the personal property tax, this does not expand anything but the definition is not consistent with the practice...or the statutes as they exist today. There's another section which would establish a clarification of when some items are subject to sales tax, or, excuse me, subject to use tax. This is an area that has not been a problem in Nebraska but apparently it could be, but there there are some types of manufacturing products which would be manufactured out of the state and assembled here in the state. In the state where the work is being done, they would argue to those states that they do not have to pay a sales tax because it's the component part of a manufactured project and then when they come into Nebraska in which it might be housing, for example, that was put together in several sections, they would argue that they were not