

March 26, 1974

auditing for it but about about 25 or 30. To make a long story short, this state has never audited even the sales tax or the income tax on the corporate level, both domestic and foreign, to the extent that common sense would indicate that we should. Now, we have never known this before. But now that you know it, it becomes our responsibility, not theirs. They're not going to do it unless we give them the money and they're not going to do it unless we earmark the money before them. They may not do it then. The Governor, if he so desires, can earmark it and reduce it or he can tell them not to spend it. But if he does either one of those and I don't know that he would and I don't mean to intend that he will, but all I'm saying, we ought to do the realistic thing to give him the opportunity to do what we have known was going on. And today we do. Now let's look, for example, at the area of the gasoline tax. They audited 350 returns in 1973. They recovered \$78,000. Now let me show you the fallacy of all of this is that we have a bill up here, LB1043, which is not underlined on General File which closes up all the loopholes that the department don't have the benefit of law now in which there's absolutely no control from a central source to end use in the end use of fuel oil or diesel fuel. Which most cases can be used for a number of things like heating a house or nine other things. We don't know every gallon of diesel fuel that's diverted and no tax paid on, the federal and the state loses about 15 1/2¢ a gallon. And they cannot do what they ought to do unless we pass this bill. It could be passed in five minutes. Because there's no question about the validity (inaudible), it's merely to give them the law to allow them to do what they ought to do whether they want to do it or not. And I don't say they don't want to do it. I don't know. They helped me draft this law, otherwise, we probably couldn't have drafted it. Now, all I'm saying to this Body is that you now know not from what I say but the figures they gave me this morning that they're doing the best they can with the money they have now received. What they have asked for or haven't asked for is completely immaterial. Now we're asking you to give them a million dollars to do obviously what this report says without a question or doubt they ought to have been doing for years. I happen to be in a retail business on a small level. My sales tax runs somewhere between \$1,000, \$1,500 and \$1,800 a month which is not my money, belongs to the state and that's who I'm collecting it for. And never once have I seen an auditor come to my place and audit me and I'm frank to say I don't know for sure whether I'm doing it right or wrong. Now I think I'm at least average intelligence. Now there's a lot of other people, for example, who really don't know...until somebody comes along and indicates to them and no one says you're doing this wrong. I don't say these people are doing this by intent, to evade or defraud the government. Because they're probably not. But if they don't know what they ought to do, if they don't know what the exemptions are, if they don't know how to bring about the limitation and the creation of the exemption, how do you expect them to do it? Then you've got the other people, for example, whose sales tax runs hundreds of thousands of dollars every month. And those returns are not made here. They're probably made in a central source outside of the State of Nebraska. And people being what they are, I would presume, I don't know but I want to know, I would presume we ought to check to see they're not doing what they shouldn't do because of the (inaudible) of the law itself. So I ask that you pass this amendment, a million dollars, not a small amount of money and I'll guarantee whatever it's worth, you at least get