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would be used by state governmental agencies?

SENATOR KAHLE: Yes, I think that is the intent. Now, I am concerned about some of the language in the amendment myself. I noticed according to the bill it says something about the Board of Regents in that last paragraph and it is not mentioned in this amendment. And I wouldn't have any objections to wording that the way it is worded. I don't know why they changed it.

SENATOR WARNER: Well, I mean...as you know I have had some contact with this but not really a chance to work it out but I am very concerned with how this might be implemented. I appreciate that the Department of Revenue feels that the system proposed here is very simple to audit which it, of course, is, but it is also very simple to use inappropriately and as I think I have indicated before, I was...I believe I was correct in at least one instance where the sixty percent provision of a contract was used for a contract that was primarily excavation which had no sales tax involved whatsoever but there was nevertheless a refund applied, and I worry...I am concerned that we don't get something in here that we don't want, also the State Highway Department as I understand it has traditionally used a purchasing agent and most...much of what they buy is not sale...is not subject to sales tax by the very nature of the work...a lot of excavation. I am not sure of the impact of this, Senator Kahle.

SENATOR KAHLE: Senator Warner, I think you would still have to follow the guidelines from the Nebraska Sales Tax or Sales and Use Tax and it would be much easier to determine where there was fraud or that they were using false information after the fact than it is when they apply before they ever start, which is what happens to a great deal of it now. So it would help to ask for the refund after the facility was, at least, nearly finished because I think contractors usually bring in more things to the site than they might use. There is always some things that go back when I build something. So I think what we are trying to do is to narrow that down so that you would know exactly what went into this project and whether it was used for the right purpose or not. The way it is now they make the application and I don't know whether anybody ever goes out to look or not.

SPEAKER MARVEL: You have one minute left.

SENATOR WARNER: It is correct that misuse could be possible

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