

you could tell, as Senator Haberman was suggesting, who the people were that were buying with an exemption number. In other words, on the sales tax form when they remit the sales tax, line number one is the gross sales for the entire business. On the form lower down is another line. It says, "Sales to an exempt organization", and they may list three or four hundred thousand dollars. They don't list the names of the people or the businesses that receive the exemption so, therefore, it is very difficult for the Department of Revenue to come up with a list of the people that were receiving that particular exemption from that particular company. They do have a list of the people that have exempt numbers. You can get that. Those people that are exempt on certain types of sales or the churches, the schools. Nobody can purchase anything tax free without a number, but when that is reported it's not reported by each individual business. It's reported on one line of the sales tax form and that determines...that is subtracted from the gross sales and the remainder the sales tax is remitted by the retailer. I do recall also when I worked there that it was very difficult when they went out to do the audit and they would audit some company and probably come up with them owing \$40,000 to \$50,000, sometimes in the hundreds of thousands of dollars because they failed to collect the sales tax or because they didn't pay the use tax on materials that they bought and used in their business. All those things are being brought back to me very clearly when things like this are discussed on the floor, but it is absolutely impossible from a retailer's sales tax return to tell who received a sales tax exemption on a particular sale. What we're doing here on this bill is so much easier for them to apply for a refund and then everybody pays the sales tax and then if you're exempt you apply for a refund and then as Senator Warner said, Senator Johnson, then you know the names of the firms that are claiming an exemption for any particular purchase. Thank you.

SPEAKER NICHOL: Senator Abboud, please.

SENATOR ABOUD: Question.

SPEAKER NICHOL: The question has been called. Do I see five hands? The question is, shall debate cease? All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 10 ayes, 14 nays to cease debate, Mr. President.