

point we've reached right now is that everybody is in agreement that this has probably been abused and that it has probably been abused badly. I think the fact that Senator Goodrich sends to you an alternative proposal is probably the best evidence of the fact that he concedes that there has been abuse and is suggesting, himself, to you an alternative to the committee amendment as a means of protecting against that abuse, that agreed upon abuse. What I would like to discuss and suggest to you is that the alternative that he proposes to you is completely unworkable and I would like to describe it to you in terms of an example and if this is not correct, Senator Goodrich, you'll have your opportunity to correct me, but I think it is correct. Basically what you are doing is putting on this guy called the vendor. You are going to slap on him a criminal sanction and possibly make criminals out of this class of business people who, at the same time, you are putting in a very precarious and impossible business position. Let me describe what I mean. I have a manufacturing plant, I walk into the vendor, I buy what I need. I say, hey, I don't need to pay a tax on this, this is exempt, this is an LB 3 exemption. And the fellow who is selling it to me says, fine, it's an exemption, you're going to send me this notice that is required under Senator Goodrich's amendment in 30 days, right? And the guy says, sure. So they wait and they wait and they wait and the notice isn't sent, isn't sent and isn't sent. And after 30 days the vendor knows that the owner of the manufacturing company is in violation of the law. He knows he is in violation of the law. Now what is going to happen? Is the vendor going to go to his good client and say, you're in violation of the law, my friend, you'd better start sending in these notices? No, he's not going to do that because the vendor himself is not in violation of the law and so he has no affirmative obligation to do anything about the manufacturer and as a practical business decision he is not about to tell that fellow what he has to do. So I think you can see why this is never going to work. It's never going to work because the vendor has no obligation and no incentive to tell about a situation where the tax has not been paid and yet the claim of exemption has been made to the vendor. I think two things about the provision. It's not workable. Secondly, from my experience with the construction lien law, Class V misdemeanor penalties, for these types of business transactions, simply don't work. They simply don't work. And beyond that, I don't think that