

Revenue says to us, it says, look, boys, it says, when some part of that item ends up in the finished product, but the lion's share of the item is not in the finished product we should treat the manufacturer as the ultimate consumer and the manufacturer should bear the sales tax. The Revenue Committee agreed with that. We said, that's right. Furthermore we knew that if we were to allow this NUCOR practice to continue we'd be out a half a million bucks a year. We also knew that if the NUCOR practice was not changed statutorily, we might have similar problems with similar uses by other companies of similar goods which could result in significant claims for tax refunds. So for that reason we adopted the Department of Revenue's suggestion which I think you will find on page 60 of the bill, or 60 of the amendment, no, 60 of the bill, which deals specifically with how one defines a tax transaction. If you adopt Senator Chronister's, Senator Peterson's, Senator Hefner's, Senator DeCamp's and Senator Conway's amendment, if you adopt that amendment, you in effect will be giving away a half a million dollars a year. You in effect will be drawing a line of the transaction in a way that could cause other significant exemptions and you in effect will probably in the end be doing an injustice to our sales tax system. So I oppose the amendment. I suggest that you not adopt it.

SENATOR LAMB: The Chair recognizes Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I rise to support this amendment. Could you guys be a little quiet here?

SENATOR LAMB: (Gavel.)

SENATOR HEFNER: Thank you, Mr. Chairman, I can concentrate on what I am going to say now. I think that we need this amendment. We know that steel industries in the United States are in trouble. Some of them have even filed for bankruptcy, for protection under the bankruptcy code. NUCOR is a thriving industry and we certainly want to keep it this way. They won their court case fair and square and now they would like to see us add this amendment to this bill so that they will not have to pay sales tax on these electrodes. I think it is a fair request and that's why I'm one of the co-sponsors of this. We've got to remember that NUCOR employees, nearly 500 employees, in northeast Nebraska and it's...well we just need it up there. I don't think we can