

18 years ago, in 1967, I was hired to open up the Omaha office by the Tiemann administration and at that time Murrell McNeil was the Tax Commissioner. There was utter confusion when the sales and income tax went into effect and especially on the use tax end of it, and I'm saying here and now that I totally agree with Senator Johnson because in the seven and a half years thereafter, from 1967 until I left in 1973, or '74 I believe it was, it was amazing to me after we hired field auditors and we would send them out into the field and believe me, today the confusion 18 years later on the use tax, not so much the sales tax, because I think all our retailers know that they have to collect the sales tax on a product that they sell. But the big confusion in all businesses, whether they are construction, whether they are a law office, buying computers from out of town, having them delivered from Pennsylvania, the steel, whatever it is, when we sent our field auditors out as early as 1968 and 1970, it was amazing for them to come back and find that they had collected maybe 40 to 50 thousand dollars on a small business or corporation in use tax and later on it was nothing to have a hundred to a two hundred thousand dollar collection on use tax. Believe me, the people that I talk to today, former co-workers, say the problem still exists today. When they go in and audit, they can come back with a huge amount of money. Instead of decreasing the Department of Revenue, I would think that we would increase it because Senator Johnson is 100 percent right. We're going to lose hundreds and thousands, probably millions of dollars in revenue because we don't have a tax collector out there to go out, not just collect the tax that is unpaid, but those corporations, those businesses that failed to understand what the use tax is and just don't pay it until they are caught up with maybe 10, 15 years later and amounts of hundreds of thousands or even into the millions of dollars is owed to the Department of Revenue or to the State of Nebraska. So, I think that, even though I'm 100 percent in favor of a 3 percent across the board, this is one department that I know that if they have to in any way not be able to hire more field auditors or let some of them go, we are only hurting ourselves because that money will not be collected and it is due the State of Nebraska. And believe me, if there is still one-tenth of the confusion in nonpayment of the use tax as there was when I was working there and in charge of the field auditors and in charge of those that went out and collected that tax, there is still a lot of money out there. Until this day, I understand that