

about how Senator Johnson said he had to collect taxes for the state and federal government for his one full-time secretary, which I might add is very good, and he doesn't get anything for doing it. And I would also point out that the cigarette wholesalers, they also collect withholding taxes and social security and everything else and don't get anything for doing that part. The big difference that we are talking about, when you are talking about cigarette tax stamps and cigarette tax, is you have to have special equipment to collect that tax. What Senator Johnson is talking about you do not have to have special equipment. All you need really is a pen and a pencil or a typewriter and just be able to do a couple of figures. Would Senator Johnson be willing to answer a couple of questions? Another thing I might point out while Senator Johnson is getting ready, too, now we talk about how they have to put money up front and how much more money they are going to make. I think it should be pointed out that with an additional cigarette tax, they are going to have to put that much more money up front, more than they did before, so actually they are going to have more invested ahead of time interest free which the state is going to receive than they did before. Senator Johnson, on page 7, line 7, it says, "Upon proof by the Tax Commissioner that he or she can affix such stamps or meter impressions, warehouse, and distribute such cigarettes and collect such revenue at a cost less than the 3 percent," which was five before, "discount allowed to wholesale dealers, he or she may then proceed to affix the stamps himself or herself, after giving the wholesale dealer sixty days' notice and purchasing all equipment used by them for the purpose of affixing such stamps or meter impressions at a fair market value." So, in essence, is that saying that if the state can do it cheaper, or the state can do it and save money, shouldn't the state be doing it, or is it something that the state feels they cannot do and make money, and in turn we are cutting back on the wholesalers that have to buy this equipment and put money up front to tax the cigarettes?

SENATOR V. JOHNSON: Senator Pappas, the state, of course, could choose to affix the stamps under that provision if it chose to do that. But for a variety of business oriented reasons, I think the state prefers to allow that particular function left with those folk who handle the cigarettes on a regular basis. Generally speaking, the state is not in the business of manipulating and handling cigarette packages and