

SENATOR CHAMBERS: So if the tax goes up, the percentage, even though it remains the same, produces more money for the wholesaler?

SENATOR HEFNER: That is correct.

SENATOR CHAMBERS: Well, if the tax rising is going to produce more money for the wholesaler, and I know this is like rechewing food, and you reduce the commission, how is the wholesaler hurt?

SENATOR HEFNER: The wholesaler has more money invested, and when he has more money invested, that means that he has to borrow more money to operate. Also his accounts receivable go up when he has more money invested.

SENATOR CHAMBERS: How much time usually passes between the period or the point when the wholesaler purchases these stamps and he moves the product and gets his money back?

SENATOR HEFNER: I suppose they move that product within two weeks, but then he probably gives 30 days' credit to his retailers, and sometimes they fall behind 30 or 60 days.

SENATOR CHAMBERS: But some of these are matters of business practice on the part of the particular wholesaler, isn't it? It is a matter of how he conducts his business rather than anything built into the law or required by the taxing system established by the state?

SENATOR HEFNER: That is true but sometimes you have known this retailer for quite awhile and so you will go along on a credit policy...

SENATOR CHAMBERS: Just like bankers loaned to farmers who couldn't pay back, but that turned out to be bad business, but that is a decision of a business nature made by the individual rather than one which is required by the law, wouldn't you agree with that?

SENATOR HEFNER: Yes, I would say so and I would say that most of these tobacco wholesalers are good business people.

SENATOR CHAMBERS: Thank you, Senator Hefner. Members of the Legislature, the only thing Senator Hefner could make reference to was a period of time when this wholesaler would