

SPEAKER NICHOL: Senator Warner, please.

SENATOR WARNER: Yes.

SENATOR SCHMIT: Senator Warner, the question was raised during the previous session relative as to whether or not the Department of Revenue has sufficient staff to properly supervise the collection of some of the taxes, fees, that are paid to the State of Nebraska. For example, I had a constituent who is in the fuel distribution business, and I discussed this just a bit with Senator Hefner, he told me that in 12 years he had never been...his fuel purchases had never been audited to determine whether or not he had properly and justifiably and honestly paid his gasoline taxes. I did a little bit of other research and found that in some instances the Revenue Department has a similar problem because they just do not have the personnel they think are necessary to go out and adequately supervise those areas. Is there a possibility...and I want you to know that I appreciate the work you have done and the attempts that you and the Governor and now the committee have made to try to reduce expenditures, but is there a possibility that by the reduction of this \$40,000 we may actually have lost or will lose the opportunity to collect many times that amount in taxes? Or am I just falsely alarmed?

SENATOR SMITH: Senator, this particular amendment only deals with the bingo-lottery portion of the Department of Revenue's budget and that was the legislation enacted last session as a result of an appropriation that was made. It was 750 or 800,000. They have nine people who were in the department but also were partly on this, or totally on this that were moved. They have 13 additional people from that appropriation that deals with lottery and the bingo and they do anticipate hiring two more auditors who will go out and do checking and all of that is covered and that is to the extent of personnel that they intend to acquire prior to June 30th. Now, if there will be additional personnel needed or recommended, that could become a budget issue next year, but as far as what they are anticipating for that program, that is the only place this money can be used.

SENATOR SCHMIT: Thank you.

SENATOR WARNER: Through June 30th why these funds I don't believe are needed.

SENATOR SCHMIT: Okay, I want to...then is the supervision of