

certain instance in my legislative district, in fact, there was more than one, but the Department of Revenue is going back several years and they're subpoenaing the records of the car manufacturers and then going back to these particular customers and charging them the sales tax on their rebates that they received. Like if a vehicle would cost \$10,000 and the rebate was 1,000, well, they came back and charged the sales tax on this \$1,000 and that isn't all, they assessed them a penalty plus interest, plus 14 percent interest. And I don't think that's fair. In our statutes, we have where it says if a dealer allows a cash discount, that should not be subject to sales tax. Well, when a Department of Revenue spokesman was at our hearing, I said, what's the difference between a cash rebate and a cash discount? And I felt I never did receive a good answer. And so what this bill would do, this bill says that if you get a rebate from the manufacturer, you do not have to pay sales tax on that. I think that's only fair, it's only just and that we should pass this bill. As to the fiscal impact, I don't think it will have too much of an impact to our Highway Trust Fund because I don't know how much longer manufacturers will give rebates. I know that one manufacturer has stopped giving rebate. I feel that a rebate is just an excessive retail price, and if the manufacturers would just reduce their retail price a little, they wouldn't have to give these rebates. But, anyway, when they're giving them I do not feel they should be subject to sales tax and, therefore, I would encourage you to support this bill. Thank you.

PRESIDENT MOUL: Thank you, Senator Hefner. I will now recognize Senator Crosby.

SENATOR CROSBY: Thank you, Madam President, and members, Senator Hall, I would like to ask two quick questions and then I will just make a quick little statement.

SENATOR HALL: Yes, ma'am.

SENATOR CROSBY: First, if you vote...when we're voting for this bill, we're trying to help the individual taxpayer, not necessarily the car dealer. Right?

SENATOR HALL: That's correct.

SENATOR CROSBY: The second thing, if you do get this rebate in cash or a benefit of some kind, is it subject to income tax?