

SENATOR HALL: Yes, sir.

SENATOR MORRISSEY: What you were just discussing on the use tax with Senator Crosby, will that encourage people not to report their sales tax on their combine they buy out of state, and, thus, well, I will do it until I get caught and it won't cost me any more?

SENATOR HALL: Not necessarily because it doesn't say that they have to waive the interest. It just gives them the ability to do that.

SENATOR MORRISSEY: To let...

SENATOR HALL: The interest is still there, and if the department chooses to levy it, it will be due and payable by the party who did not pay the use tax.

SENATOR MORRISSEY: Because we do have some problems with that in the border areas.

SENATOR HALL: That is correct, and the problem is, is that right now someone may not have known. They may have intended, may have even had the check written, but hadn't met the time line, and the department has no ability to waive that interest. It is just an automatic. So this will be at the department's discretion. It is a permissive piece of legislation.

SENATOR MORRISSEY: Thank you. That is all.

PRESIDENT MOUL: Thank you, Senator Morrissey. Does anyone else wish to speak on these amendments? Seeing none, do you have closing, Senator Hall?

SENATOR HALL: Just...thank you, Madam President. Just to explain, Senator Crosby, that issue of number nine, the mutual funds. Currently, under the law if mutual fund is invested in federal securities, federal backed pieces of paper, whether it be Fanny Mae or FDIC stock, anything that they may have invested in that is guaranteed by the federal government, the law currently says if over 80 percent of that mutual fund is invested in the federal government backed securities, then it's taxable. Our law also says then that if less than 80 percent is invested in federally backed vehicles, then it's not taxable.