

If they figured it into their costs then they are not entitled to the refund. If they did not figure it into their cost, if they got caught, literally, they had signed a contract not knowing this was coming, and they did not figure this into their cost, then and only then would those particular contractors get a refund of this extra half a percent. However, if...there are a lot of contractors, for example, that would not be involved in this. For example, if the contract is outside the city limits of Omaha then it is not subject to this tax. If the contractor takes delivery of merchandise inside the city limits and delivers it to a job outside the city limits, then he would be caught in this and have to pay this extra tax. If, for example,...well there is any number of ifs. But the thing is if the contractor can prove to the Department of Revenue that he did not figure this extra half percent tax into the cost of his contract, and yet he committed himself to this contract, and then we, after that, put this tax on that he now has to pay then, and only in those particular cases, would we refund this extra half percent to him. The extra half percent is coming out of the funds that the City of Omaha is entitled to. So consequently it is not hurting the state. The thing is this would not exempt anybody from the tax that had not gotten a contract signed prior to the effective date of this tax. Then once those contracts are finished nobody is exempt, they pay the whole thing.

SENATOR MURPHY: Then the Department of Revenue would additionally have to conduct an audit to some extent to, in fact, determine that certain equipment and certain materials claimed to be used on that job were in fact used on that job.

SENATOR GOODRICH: But it would only be contracts involved within the city limits of Omaha.

SENATOR MURPHY: I don't want to imply that they cheat sometimes, Glenn, but I think, if I had a chance to lose a half a percent on a new piece of equipment that I was charging to a job, I might be tempted.

SENATOR GOODRICH: Well the number of them though that would be even eligible for this would be a small number of contracts. One man could handle this very easily within a 30 day period of time.

PRESIDENT: Senator Stoney, did you wish to speak to this amendment?

SENATOR STONEY: Mr. President, members of the Legislature, I rise in support of Senator Goodrich's amendment. It is my understanding that when the sales tax was implemented in 1967 a concession, such as is being requested here today, was made at that time. This will not deal with any contracts that are bid or let after the date that the sales tax is imposed, but only those that have been let prior to that time. Senator Goodrich just pointed out the fact that this would only concern the City of Omaha in major projects that are either bid or under construction there presently. There are, as you well know, some multimillion dollar projects. When you talk about multimillion dollar projects, the amount that a half cent sales tax would generate are quite extensive. For that reason it could be very costly to the contractor who did not consider this at the time that the bid was made. We talk about promoting private enterprise, seeing that private enterprise flourishes so that they provide jobs within