correct? That is what it was a year ago.

SENATOR WESELY: Yes.

SENATOR MARSH: So we are already at the 14% rate with
that cost being $1,309,000 and what you are offering to
the body by your amendment is moving that from one
$1,346,000 am I correct?

SENATOR WESELY: That is right.

SENATOR MARSH: So it is a slight increase to the whole-
salers but moving it from 5% to 4%, rather than having it
be an additional cost for no additional work.

SENATOR WESELY: That is right.

SENATOR MARSH: I believe I understand what you are trying
to do, thank you.

SENATOR WESELY: Thank you.

SENATOR CLARK: Senator Hefner.

SENATOR HEFNER: Mr. President and members of the Legislature,
I rise to oppose this amendment. I want to go back just a few
years and tell you about our experience we had in the Revenue
Committee. I think we had a bill or an amendment such as
this three times in the last six years. Of course it did
draw a lot of people to testify both pro and con. But I
think some of the things that we need to realize is that
the wholesalers, the wholesale tobacco people pay a state
license fee, they pay a city and county fee or license, they
bond themselves and they purchase these stamps before they
affix them to the cigarette package. So they have a lot of
mney invested in these stamps and of course with the interest
rates now at 16, 17, 18 or even 19%, this means that they
need to borrow a lot of money to put these stamps in their
inventory. Then after they have the packages stamped they
keep these cigarettes in inventory. They also have some on
the trucks when they deliver them to the dealers. Then of
course when they sell them to the dealers they don't get cash
right on the spot they usually give you 30 days credit. In
addition to that it usually takes ten days to pay the bill
so that means that they have their money tied up 40, 50 or
even 60 days. Okay, then some of them said that once in
awhile a few of these stamps are lost, which they take the
loss. They also encounter bad debts, I don't suppose Senator
Wesely would know about this, but you do from time to time