

purchase that car. The other \$5,000 really is blue sky. It is neither given to the dealer by the manufacturer or given by the manufacturer to the dealer. It really just is a paper shuffle that doesn't amount to anything. When you go down to plate your car at the county you have to pay, currently under Nebraska law, sales tax on \$20,000. So, in other words, even though you only wrote a check for \$15,000, even though out of your pocket the purchase price really was only \$15,000, because of the way Nebraska law is written, and it's my understanding that Nebraska is the only state in the country, from testimony at the hearing, that deals with a rebate issue this way, you have to pay sales tax on that full \$20,000. You have to pay it on the rebate. You're paying it on blue sky, on air. What LB 300 would do, would allow for a rebate proposal to be basically tax exempt so that if the same situation that I gave you, the \$20,000 car, the \$15,000 purchase price basically that I paid to the dealer, the \$5,000 rebate that is just blue sky, when I go down to license that car and plate it, I only pay on the \$15,000 with the passage of LB 300, because, really, that's what I paid for the car. What happens with some of the other rebate types of programs that are out there? That's clearly just one example, the pure example that LB 300 would apply to. In the other cases where you have a rebate program where for \$1,500 I buy the car that's \$20,000 and I can have \$1,500 off or get \$1,500 cash back, in the case of a cash back rebate, LB 300 would not apply. So, in other words, if I opt to pay \$20,000 for the car...excuse me, pay 20,000 as the purchase price, get 1,500 of that back, basically, as a rebate in a check from the dealer, that does not become a tax exempt transaction because, really, what you still have is you have \$20,000 that is in that pool of money that's been expended for that car. It exists at that point. The only time that LB 300 kicks into effect is when you have a rebate where there is no money changing hands. In the case of a cash back, there is money changing hands. That \$20,000 is out there, it goes to some party at some time in a cash rebate that I elect to receive back from the dealer or the manufacturer. You ought to pay full price on that proposal. You ought to be taxed on the \$20,000 at that point. What happens in the case, the third case that's out there of rebates where you have the choice of either taking the reduced price, basically the blue sky example, you have the cash back option and then you have a reduced loan? Basically, what you do is you buy down the loan through the rebate. The dealer, through some of the manufacturer's financing operations that are out, GMAC, Ford financing, whatever, allow for a reduced...a reduction in the interest