

an audit of this company and saw that the transaction took place, and raised the question with regard to whether or not the specific language that was in statute was basically specific enough to deal with this instance. It basically proved to be a best case, if you will, for this area. What happened is that they said, no, we believe that this is a fair interpretation of the change that was made in statute in previous years. In 1986 there were a number of changes that were made in revenue statutes, there was a newsletter that went out that dealt specifically with the area of occasional sales. And the first time that a broker, in other words a broker ever showed up for purposes of taxation in this area, was in this newsletter. It was never entered in terms of the discussion on the original legislation. It was, as a matter of fact, specifically mentioned as something in debate that the tax would not apply to. But yet in the newsletter broker found its way into print, under the Department of Revenue, and it was the basis on which the department, last year, argued that tax would be due and payable. Prior to that, in 1990, the department, under the...Commissioner Boehm, had granted the exemption. Basically, it was a May 18, 1990 letter that the commissioner had said this is a confirmation with regard to the internal review process, and that we will qualify the occasional sale exempt from sales tax. There was a subsequent decision by folks within the department that that was not proper, or at least there was a decision that this could serve to be the vehicle by which the Legislature made a specific decision on this issue, whether or not brokers, individuals who deal with this type of a sale, specifically in this case we're talking about attorneys who do not do anything more than the legal work that surrounded this transaction, whether or not sales would be due and owed on the transaction, the transfer of property. What Senator Hillman brought to the committee was a bill that changed the definition a little bit. What the committee did with the proposal was to basically strike all the language that dealt with the third party transaction, so that there was clearly no misunderstanding, and there was not a problem as far as the department was concerned. They basically wanted some language that they could hang their hat on for future purposes. The A bill that...excuse me, the fiscal note that attached to the bill represented only this one sale, no one else has been levied with this sales tax. It has not, I guess, raised its head until this specific audit brought it about. What LB 727 purports to do is just nothing more than to clarify what has been not only the intent, but the practice prior to this decision on the part