

**SPEAKER BAACK:** Senator Hall, would you respond, please.

**SENATOR HALL:** Yes.

**SENATOR MORRISSEY:** We're talking in taxing on the sales tax at existing rates.

**SENATOR HALL:** That's correct.

**SENATOR MORRISSEY:** Any exemptions, anyone exempted from that sales tax?

**SENATOR HALL:** I'm not tracking with your question, exempted from...

**SENATOR MORRISSEY:** Everyone pays the sales tax. Nobody has a sales tax exemption.

**SENATOR HALL:** No, there are a number of individuals who qualify as tax exempt right now. They fall in a number of different categories, government for example, 501(c)(3) is the charity type of organizations, as long as you have a state tax exempt number, you would not pay sales tax whether it be on these additional services or on current sales taxes that are levied on tangible items. Okay. So in other words, it would be the same people that are currently paying a sales tax would pay these sales taxes as well.

**SENATOR MORRISSEY:** Well, I liked what Senator Landis said on...and originally thinking about it, you would think a lot of the bigger people would have, use these services but thinking of large corporations, they would have in-house lawyers so they would possibly, probably avoid a lot of this.

**SENATOR HALL:** Is that a question?

**SENATOR MORRISSEY:** Yes.

**SENATOR HALL:** Frankly, the...usually what a corporate counsel does is keeps track of the little things, and when they have serious lawsuits, there are very few that don't get local counsel wherever they may be. Now if it's issues that are at home in terms of their own bailiwick, their own hometown, corporate counsel or in-house counsel may function in that capacity and they would save those services, but the company