

and Will would move to amend the bill. (AM1290 appears on page 1472 of the Legislative Journal.)

PRESIDENT ROBAK: The Chair recognizes Senator Wehrbein.

SENATOR WEHRBEIN: Yes, Madam Speaker, and members of the body, this has to do with...it's very simple, it's been handed out to you, it's AM1290. It simply inserts the word "cement" after the word "steel". The reason for this is that up until now cement has been excluded as...from sales tax and there is a question at this point as to whether it would be brought in. And it's much the same issue as the steel issue is with this bill and it has to do with Ash Grove Cement which is the only producing cement plant in the State of Nebraska. It utilizes refractory brick in its Louisville kilns to heat limestone and clay, to make cement at temperatures over 1,200 degrees. The brick is a silicon compound chemically consistent with clay. And under the Nucor case, the brick was tax exempt as a component part of the final product, in this case steel. This is the same situation and making the cement that these...this should be tax exempt also along with steel. As I said, it has been raised...the issue has been raised by the Department of Revenue potentially that it would fall under sales tax. And so this is to attempt to clarify that, in this case, cement manufacture...the brick used in the manufacture of cement would be exempt from sales tax as part of the process and that it would be clarified from here forward that it would not be subject to the tax.

PRESIDENT ROBAK: Thank you, Senator. Senator Will.

SENATOR WILL: Thank you, Madam President, and members of the body, I rise in support of this amendment that I cosponsored with Senator Wehrbein. The idea behind LB 430, conceptually, is that under the theory of sales tax component parts should not be taxed, that the sales tax itself should be applied only to final sales to the ultimate consumer of a good or product. And what this amendment would do, as Senator Wehrbein explained very well, is include component parts used in the manufacture of cement under the specific statutory exemption that is currently in place for a number of different products that are, in essence, component parts. And, again as Senator Wehrbein explained, the use of refractory materials in the manufacture of cement is something that is done. These are materials that are...the line, the container in which the cement is actually manufactured, as I understand it, they're subject to very high