

business simply was going other places and, in the case of Nucor,...

PRESIDENT ROBAK: One minute.

SENATOR WARNER: ...that would be a pure reduction but it was...it was totally consistent with the concept that you do not apply sales tax to these component parts but to the final product and in their cases the two final products, either the slag or the steel, did pay sales tax if it went to the eventual user.

PRESIDENT ROBAK: Thank you, Senator Warner. Senator Warner, your...thank you. Senator Schellpeper.

SENATOR SCHELLPEPER: Yes, Madam President and members, Senator Wesely, what we attempted to do is to make sure that they pay the sales tax but that they didn't pay it twice. And, essentially, that's what they would be doing. You would be paying it on the ingredients and on the finished product. And so, with this bill, Nucor went to court and the court said, well, even though you aren't paying it now, you will start paying it and you will pay the sales tax on both of them. And it's just because of our laws. Every other state that Nucor operates in, they don't pay any sales tax except once, only on the finished product. But the Nebraska Supreme Court said, our laws are different than the other states so that they have to pay in this state. And so, in order to be competitive, you can't pay sales tax twice and still be competitive with other steel mills and so that's why we have the bill. So, basically, we're not saying that you won't pay it, it's just that you will pay sales tax once and not twice, Senator.

PRESIDENT ROBAK: Thank you, Senator. Senator Wesely.

SENATOR WESELY: Thank you, Madam President. Thank you, Senator Warner and Senator Schellpeper, for the explanation. I understand and I remember the studies we've done about core elements and how that shouldn't be taxed and so that philosophy is one that I share, Senator Warner, and Senator Schellpeper as well in terms of double taxation. Those are good points. But it's so interesting that how exemptions like this can move through. Had we been talking about adding a tax like this that would add 800,000 or a million dollars, how much more difficult it is to see that done. We seem to constantly look for ways to