

there was lots of complaints about that penalty and some of you, I am sure, will recall from people who bought automobiles and repair was holding it for some period of time. So I'd move adoption of the committee amendment, puts the operative date and the E clause and then clarifies that the penalty only applies to sales tax on motor vehicles at 5 percent, which is, in fact, what the purpose of the bill was that Senator Withem introduced.

SENATOR BEUTLER: It appears there are no senators wishing to speak to the committee amendment. Senator Warner, do you wish to make further comment in closing. Closing has been waived. The question is the adoption of the committee amendment. All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of committee amendments.

SENATOR BEUTLER: The committee amendments are adopted. The question, are there any further amendments to the bill?

CLERK: Nothing further on the bill, Mr. President.

SENATOR BEUTLER: The question now is the advancement of LB 118 to E & R Initial. Senator Withem, would you care to open on the bill?

SPEAKER WITHEM: I would, although I think Senator Warner adequately described what the bill does. Maybe I will talk a little bit about the motivation behind the bill. Two or three years ago, as part of a general Revenue clean-up bill, of which I was a cosponsor as a member of the Revenue Committee at that time, we enacted legislation that sought to clarify and to remove the inconsistencies in the penalty for late payment of sales taxes. It seemed like the correct public policy move to take at the time. One of the unintended consequences of that, however, was that it applied to those individuals who pay their sales tax at the time that they were ready to register their automobile. Consequently, we had individuals who, you know, on the extreme end who bought very expensive automobiles were paying 10 percent fees, 10 percent penalties on an already, on what they considered an already high sales tax. On the other end of the extreme, the one that finally led me to believe I was going to introduce legislation to do this was an individual who had bought an automobile for \$50, held that automobile in his