

feed, how does the person who sells it and who is supposed to collect the tax, how does that person know it is being consumed in this state and, therefore, exempt from taxation?

SENATOR DIERKS: I am not sure that he does know but I don't think that it matters because he doesn't have to collect it. Feed is not taxable. They don't tax...

SENATOR BEUTLER: But it is taxable if it is used in another state, isn't it?

SENATOR DIERKS: Not that I am aware of.

SENATOR BEUTLER: Well, it says other consumption in this state of the feed, water, veterinary medicines, or agricultural chemicals. Am I reading that wrong? What does "in this state" have reference to?

SENATOR DIERKS: I think it has reference to the use and storage of these products in this state.

SENATOR BEUTLER: Okay, so if it is not stored or used or consumed in this state, then they still have to pay the tax.

SENATOR DIERKS: This is not...we are not...we aren't making rules and regulations for other states. We are talking about our own state.

SENATOR BEUTLER: Okay, what if it is sold in this state and it is then taken directly to Iowa and used, does it get the tax exemption?

SENATOR DIERKS: If we take possession of it in Nebraska,...

SENATOR BEUTLER: Yes.

SENATOR DIERKS: ...it gets the tax exemption.

SENATOR BEUTLER: It is tax exempt?

SENATOR DIERKS: Feed is right now.

SENATOR BEUTLER: But, Senator, how could it be tax exempt if it doesn't...if the language says that it has to be consumed in this state, and you don't know, and it is consumed in another