

picking up here. I will wait to see what others have to say.

SPEAKER WITHEM: Senator Chambers, followed by Senators Dierks and Warner.

SENATOR CHAMBERS: Mr. Speaker and members of the Legislature, I am going...Senator Dierks, I am going to say what Senator Beutler is saying in a different way because he was laying the background and then he asked the question. The way this language is written, the only time this tax exemption occurs within the State of Nebraska is when this Nebraska-produced product is actually consumed in Nebraska. If it is not consumed in Nebraska, even though produced here, it is not exempt. So if there is anything produced in this state, the way the language is written, the only way you get the exemption is if it is consumed in this state.

SENATOR DIERKS: I don't think that is the only way, Senator Chambers. We can't charge a tax for something that is consumed in Iowa.

SENATOR CHAMBERS: No, it's taxed in Nebraska. You, in Nebraska, will not get this exemption, the way you are drafting the language is related to the product produced in Nebraska. We are not talking about taxing it in Iowa, but what you are saying is that the only way a Nebraska producer can get this exemption on these products in Nebraska, the only way they can be exempt from Nebraska taxation is if that product is actually consumed in Nebraska. That's what the language says. The language "in this state" is in line 3 of page 2. So even though you produce it here, if it is consumed in another state, you don't get that tax exemption in Nebraska. You don't get it, I meant the tax exemption, that's what I mean.

SENATOR DIERKS: You're right, I don't get it.

SENATOR CHAMBERS: Well, let me take it a step at a time. Do you agree that the purpose of this language is to create a sales tax exemption, do you agree with that?

SENATOR DIERKS: I am sorry, too many things going on over here. Ernie, say it again.

SENATOR CHAMBERS: Do you agree that the purpose of this language is to create a sales tax exemption, meaning that the