

people involved in what we are talking about here will not pay a sales tax? Do you agree with that?

SENATOR DIERKS: That is true.

SENATOR CHAMBERS: Do you agree that there are products involved which are produced for consumption? Do you agree with that?

SENATOR DIERKS: Sure.

SENATOR CHAMBERS: Now, here is where you are falling off the wagon. The language says that even if it is produced in this state, it is this type of product and it is for consumption. If that consumption occurs outside of Nebraska, you don't get that sales tax exemption here. The only way you get the exemption is if what you produce here is consumed here. Do you follow that?

SENATOR DIERKS: I follow that.

SENATOR CHAMBERS: Now, that is what your language is creating by saying, in order to get this, one of the qualifications is that the consumption has to be in this state. And if that is not the purpose of that language, what is the purpose of requiring it to be consumed in this state? Would you want to strike that? The witness is receiving consultation from his counsel. Senator Maurstad...I mean, Senator Dierks, thank you.

SENATOR DIERKS: I understand what you are asking but I still think that we are correct in the language because as long as it is sold, leased or rented or stored in this state...

SPEAKER WITHEM: One minute.

SENATOR DIERKS: ...it is not subject to the sales tax.

SENATOR CHAMBERS: Even if it is not consumed in this state?

SENATOR DIERKS: I beg your pardon.

SENATOR CHAMBERS: Even if it is not consumed in this state?

SENATOR DIERKS: The consumed part deals with the usage part.

SENATOR CHAMBERS: Why do you have "in this state" in the language? Why is it necessary? I will let you think about it