



Hundredth Legislature - First Session - 2007  
**Introducer's Statement of Intent**  
**LB 3**

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**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** January 18, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 3 creates a sales tax "holiday" on clothing, school supplies, computer software, and personal computers or computer peripheral devices beginning at midnight on the first Friday in August and ending at midnight on the immediate following Sunday, beginning in 2007 and each year thereafter.

- The exemption created under the bill on clothing is limited to individual articles of clothing with a sales price of \$100 or less.
- The exemption on school supplies is limited to \$50 per purchase.
- The exemption on computer software is limited to \$350 or less.
- The exemption on personal computers or computer peripheral devices is limited to \$3,500 or less.

The bill contains definitions of each of the exempted items. Any further clarifications on definitions would be provided by the Department of Revenue by rule and regulation.

The purpose of this bill is to:

- Provide an incentive to keep young families in our state by reducing their state sales tax burden when they buy clothes and equipment in preparation for school;
- Stop the drain of Nebraska shopping dollars to Iowa and Missouri on their sales tax holidays; and
- Provide an incentive for out-of-state shoppers to shop in Nebraska.

**Principal Introducer:**

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**Senator Rich Pahls**