

One Hundred Third Legislature - Second Session - 2014

Introducer's Statement of Intent

LB794

Chairperson: Senator Galen Hadley

Committee: Revenue

Date of Hearing: January 30, 2014

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

LB794 requires any retailer that uses a credit card/debit card for sale purposes, to utilize software that once that card is swiped, the sales tax owed to the state will go immediately to the Department of Revenue.

The idea being, once you buy something with a "card," the sales tax owed would go immediately to the state, not held in an escrow account and paid at the end of the month, which is what current law allows.

LB794 would increase the fee kept by retailers for collecting the sales and use tax.

At present, the collection fee is 2.5% of the first \$3,000 remitted each month. LB794 keeps the 2.5% on the first \$3,000 and adds an additional 0.5% on amounts remitted over \$3,000 each month.

It restores the 2002 level of compensation to those businesses and other entities compelled to collect the tax on behalf of the state by adding back into the reimbursement compensation calculation one-half of one percent of all amounts in excess of three thousand dollars remitted each month.

Principal Introducer: _____

Senator Burke Harr