

that we indefinitely postpone this bill and I will give you several reasons why I feel this way. I am having some information passed out now and I wish you would just take a few minutes to read it but I contend that a 3% collection fee is not enough money to retailers to collect the sales tax and this is what this bill is all about. Studies indicate that retailers whose volume is very high or very low experience higher costs for collection and the remittance of sales tax and of course there are a lot of other factors that need to be considered. We need to consider the size of each transaction. We need to consider the credit policies that a company has, how many bad debts they accrue each year and how many bad checks they take, the amount and the collection of these tax. We also need to consider what it costs to write out tax exempt sales like when a subdivision of government or those that are exempt from paying the sales tax, when they come in a separate sales slip has to be made and filed and kept track of and this is quite an expense. We also need to consider the cost of changing cash registers. Nebraska is not, and I repeat, Nebraska is not receiving the highest collection allowance. Colorado is higher with a 3.3%. Oklahoma has a 3% sales tax collection and there is not a study that I have seen on the collection of sales tax that shows that 3% is enough for merchants. Every study that I have seen shows that it costs a minimum of 4.2% to collect and the figures go on up. I think that some of the proponents of this bill have no experience in what it takes or what it costs in collecting sales tax. In Nebraska nearly everybody who collects taxes are paid. We pay the State Tax Commissioner for collecting tax. We pay their staff. We pay those that collect the city sales tax. We pay those and in this case it is the State of Nebraska for collecting the motel taxes and reimbursing that to the counties and this collection fee is 3%. We pay the county treasurers for collecting the real estate taxes. We pay a city treasurer for collecting their taxes and so I say to you this morning, why should we pay the large merchant the 3% for collecting their taxes. It was mentioned the other day about that there is no collection fee for Social Security or withholding taxes and this is true but collecting the sales tax is a lot different. It involves a third party whereas collecting Social Security and withholding tax does not. You have a lot more expenses in collecting the sales tax than you do with the Social Security and withholding tax. The merchant pays 5% to the banks to collect their credit cards and so you can see if the merchant has to pay that much to have his credit cards collected, I think it is only just to give the merchant 3% to collect the sales tax. I know Senator Johnson has good intention by introducing this bill but I feel that we would place an undue burden to the merchants, especially to the large