

April 6, 1983

LB 571

SENATOR V. JOHNSON: Senator Peterson, do you know what the cost to the State of Nebraska of your particular amendment would be?

SENATOR H. PETERSON: Vard, I do not. I would think that as carefully as you had studied this issue you probably ought to know. From your testimony on the first go around I would say that likely my estimation here would be that the 4% will not be a big figure because you indicated on the floor that the \$5,000 exemption represented a rather small percentage of the \$5 million as I understand it and what the 2% would do versus the 1% as I see it would be to cut down in half the amount of gain or not quite, cut down one-third the amount of gain that we are talking about so I haven't had the time to ask for that study but I'm sure it can be gotten.

SENATOR V. JOHNSON: And, secondly, Senator Peterson, I take it that you do assume that there are some economy of scales that arise with the larger retailers.

SENATOR H. PETERSON: Normally I think we would say that is true and I would imagine that if we look at it factually, that if you look at the larger stores and that is why I think 4% is very reasonable for the small stores. I think we would have to recognize that their costs are probably higher than 4% since the larger stores who have given us the studies, particularly since I got this study from Nash Finch which would indicate their cost is 4%, then I would say that the small stores certainly must have a cost of at least 5% or more.

SENATOR V. JOHNSON: Thank you, Senator Peterson. As indicated, Senator Peterson does not know precisely what effect his amendment would have on the fiscal note on LB 571. However, based on some rough estimates of my own from the figures that I do have, his amendment effectively wipes out the fiscal note. The fiscal note essentially would be gone. In other words, if his amendment were adopted, LB 571 would simply restructure the current collection fee allowance to our state retailers and it would not generate any new or additional revenues for the State of Nebraska. It would effectively be a wash based on my own mental computations from the facts that I do have. There are no states that have a collection fee allowance for any retailer of any size at 4%, none. A majority of states allow retailers no collection fee allowance whatsoever and those include our neighbors with the exception of Missouri and Colorado. Those include our neighbors. But what has happened set back in the 1960s when Jules Burbach and this Legislature

2737