

approximately \$1.2 million annually. The Fiscal Office also indicates the costs of collection are insignificant. You have received the information from the tobacco lobby against the tobacco products tax where they indicate that the dollar amount generated by this tax is relatively insignificant. That may be true to the cigarette tax people but it is not true to the State of Nebraska. I think \$1.2 million in collection is very significant. The information from the tobacco industry also indicates that the cost of collection plus that of setting up the machinery to collect the tax could equal fifty to a hundred percent of the tax itself. Our Department of Revenue differs significantly and I have distributed a memorandum to you showing the Fiscal Office projections with respect to the collection of this tax. They estimate that \$735,000 would be collected in this fiscal year and that assumes the tax is only collected for eight months. They further estimate the cost of collection of the tax to be \$25,000 this year to set it up and insignificant in ensuing years. The Department of Revenue estimates are there for you to look at as well. The point I am trying to make is that the cost of collecting this tax is not a significant problem and this will be a major revenue producer for the State of Nebraska. In fact, the proceeds of the tax are estimated at \$1.2 million per year. Twenty states, according to the information I have received, have taxes on tobacco products. I would like to talk next about the Chadron State College Activities Center and why I have chosen to use this route to fund the Activities Center. The Activities Center was first proposed in 1970 and it has been the number one priority of Chadron State College since 1977 and it has been the number one priority of the State College system since 1980. We have expended some funds on the Chadron State College Activities Center already. We spent \$6,000 in 1973-74 for a program statement; \$6,000 in fiscal year '78-'79 for subsoil testing; \$20,000 in fiscal year '79-'80 for the same purpose. In 1980-81 fiscal year we appropriated \$146,000 for phase one of the project and the blueprints have been prepared and they are ready to use. It would cost us approximately \$5.4 million to finish the Chadron State College Activities Center. I contend that there is a need for the Chadron State College Activities Center and that it warrants the support of the Legislature. Currently the facilities are inadequate and those of you who have been to the Chadron State College Campus know what I am talking about. On a recent tour that I had of the Chadron State College facilities, it was pointed out to me, for example, that visiting women's athletic teams have to dress in the swimming pool because there are no dressing room facilities available for them