

that?

SENATOR HIGGINS: Surely.

SPEAKER NICHOL: Yes, please do.

SENATOR V. JOHNSON: The Department of Revenue today knows who these companies are because these are the major mail order houses in the United States and if the Department of Revenue concludes that a major mail order house in the United States is not conforming to the requirements of LB 552 then that Department of Revenue literally has the ability to effectively cause these mail order houses that know that the court system is not available to them in Nebraska. Now in addition the Department of Revenue can always go after the mail order houses directly for the use taxes that have not been remitted. This is the first step though in being able to collect, to know about the use taxes and to get those use taxes collected.

SENATOR HIGGINS: Senator Johnson, if they don't have a list from them of who they have been selling to, how would they know how much tax to collect?

SENATOR V. JOHNSON: Ah. Well the Department of Revenue will have the ability under its general investigative powers to subpoena the mail order house and its sales records so that it can literally find the names and addresses of all persons who, in Nebraska, who have bought merchandise.

SENATOR HIGGINS: I wonder then if the cost of doing that would be worth the sales tax we'd collect?

SENATOR V. JOHNSON: What was that, Senator Higgins?

SENATOR HIGGINS: I say, the cost of doing that, researching all these people, would it be worth it to the state to collect the sales tax? What I'm getting at is, isn't there some way to really get the mail order houses that are literally selling in Nebraska and not collecting the sales tax, where as our own Nebraska merchants have to?

SENATOR V. JOHNSON: Right. It is a tough issue. Nebraska is not alone in facing the issue, in fact, that's why South Dakota has just championed legislation like this legislation. The legislation itself has constitutional