

January 28, 1980

LB 499

promote that, I fail to see it but the lodging industry themselves are very split on this issue. Many of the hotel, motel owners that I have talked to are not in favor of imposing this lodging tax. They feel very much as I do that they would rather pay for the promotion through their association if, in fact, they do want to promote it. I am sure this would be a big boon to the hotels, motels along Interstate 80 but what about the hotels and motels in the outlying areas of the State of Nebraska. Most of their clientele are made up of traveling salesmen, again Nebraskans. The cost of this tax will necessarily be passed right along with the products that they are selling so if we think it is only people that are traveling that are going to be paying this tax, we are just kidding ourselves. We are all going to be paying it. I would urge the help of this body in disposing of this noble piece of legislation.

PRESIDENT: The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. Chairman, members of the Legislature, I strongly support this kill bill, and if I could have your attention just a moment, I will tell you why. Other than being a special interest bill, what are we doing? What are we starting? Can you think of one other service, one other service business in the State of Nebraska that we are taxing? We are starting a trend here where we are starting to tax services. When you go have your car fixed, they charge you a tax for the parts. They do not charge you a tax on the service part, the working part, so until such time as this body finds it in its wisdom to charge services across the State of Nebraska, I don't think we should start with one which is a service. Hotels and motels provide a service. They don't give us any food. If we do, we pay sales tax on that but they are providing a service. So until such time as we start to tax services, I urge you to support this kill motion.

PRESIDENT: The Chair recognizes Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I wholeheartedly support the kill motion. On the Revenue Committee, we are constantly faced with the problem of getting...keeping intact the revenue base. Now here is a bill that places a lodging tax on, erodes the potential of future revenue base of this state and doesn't put anything into the state treasury. It doesn't reduce any other taxes. It is an additional tax and I think it is really a fraud on the people to take a tax and give it to

6475