

April 16, 1981

LB 360, 506

CLERK: 26 ayes, 0 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: Motion is carried. The bill is advanced. We now move to LB 506.

CLERK: Mr. President, LB 506 (read title). The bill was read on January 20, referred to Revenue. The bill was advanced to General File. There are committee amendments pending, Mr. President, by the Revenue Committee.

SPEAKER MARVEL: Senator Hefner, do you want to take the committee amendments to LB 506?

SENATOR HEFNER: Mr. President and members of the body, I move the adoption of the committee amendments, and what they would do, the first part of it would delete the creation of the cash fund. The second part would delete the earmarking of the revenue from one cent increase and the third part of the committee amendment would delete the reduction of the wholesalers' commission and you will notice that in the original bill that the wholesalers' commission was reduced from five percent to three percent and what this would do is reinstate this. If I remember right, if I remember correctly at the committee hearing the industry showed proof that it does cost five percent to collect this tax and so I would urge the adoption of the committee amendments.

SPEAKER MARVEL: The motion is the adoption of the committee amendments. All those in favor of that motion to 506 vote aye, opposed vote no. Record the vote. Have you all voted? Now record the vote.

CLERK: 26 ayes, 0 nays on adoption of committee amendments.

SPEAKER MARVEL: The motion is carried. The committee amendments are adopted. Senator Cullan. Senator Cullan, would you like to explain 506?

SENATOR CULLAN: Mr. President, members of the Legislature, I guess I will give an explanation of the bill as it has been amended and then Senator Warner will have an amendment that will change the bill, and at that point in time, I will urge you to support his amendment so we have kind of reached a compromise to solve some of the problems associated or some of the concerns some people had about LB 506. But at this point in time, I would like to introduce the bill to you. LB 506 is a proposal that increases the cigarette taxes in the State of Nebraska by one cent. The purpose