

scholarship program for needy students, both public and private. Now your Revenue Committee said, we don't think that the cigarette tax should be earmarked any more than it already is earmarked which it is in some particulars, but by the same token we don't think we should lose that eight cent tax possibility. So all we did is we simply stripped out of 190 the earmarking. We made this law sunset July of 1986 and the reason why we made it sunset July of '86 is this. We are not confident that our sister states will pick up the eight cent federal cigarette tax, and if they do not, then Nebraska will have one of the higher cigarette prices in the area. And if we have one of the higher cigarette prices in the area, we will discover there is a fair amount of bootlegging of untaxed cigarettes across the borders. So we said, let us do this. Let us pick up the eight cent cigarette tax. Let's make the bill sunset, let's make the bill sunset July of 1986. At that time, during the next legislative session, we can take stock as to what other states have done, and if we have to, we can repeal this pickup tax or we can continue it in full force and effect, it doesn't make any difference, but we need a little bit of breathing time, which is what I am using, a little bit of breathing time to make certain that we have gotten this handled correctly. Now in addition, I have got an amendment which is designed to take care of the cigarette vendors collection fee. That is also a very touchy and difficult issue because right now cigarette vendors get 5 percent of all monies they collect in the way of our taxes for purposes of putting the stamp on the cigarette package and for purposes of remitting the taxes even before they are collected from the machines and the purchasers. Now we have an amendment to make certain that when the new eight cent tax comes on, that the vendors don't simply collect another 5 percent of the new eight cent tax, but we are reducing it all, I think, to four cents of the overall taxes collected. I will have to study that up to make sure I have got that exactly right. In any event, the committee amendment preserves the tax, doesn't earmark the tax, let's the revenue go into general funds, sunsets the bill July 1st, 1986. With that, I would offer the committee amendment.

SPEAKER NICHOL: I understand you have an amendment to the committee amendments, Mr. Clerk.

CLERK: Mr. President, actually I have two. The first I have is offered by Senator Warner. Senator Warner would