

cigarette taxes that are less than this bill would currently call for. Number two, one of the arguments is a social policy argument. I will make it to you because I think it is probably a valuable social policy argument. I guess I can make it with at least a certain degree of authority because I happen to be a smoker of cigarettes. Cigarettes are damaging, in the long pull, to our health. I know that and yet, because of my addiction, continue to smoke. I guess that others know that as well. The scholars and researchers in the area have indicated that if young smokers can be deterred from smoking, their likelihood of becoming addicted or habituated to cigarettes is reduced. That is if a young person starts cigarette smoking at the age of 15 or 16, they are far more likely to become an addict or an habitual user of cigarettes than if they were to start smoking at age 21 or 22. The scholars have also indicated that the higher the price the package of cigarettes the greater effect that has on teenage smoking. That is that teenagers are less likely to smoke in a habitual manner if the cigarette prices are higher than if they are lower. The reason why is teenagers don't have a lot of discretionary income and, therefore, their use of their income is really quite responsive to the price of the goods they are going to buy. So the second argument, I guess, on behalf of the increase in the cigarette tax is that in the end it will have a significant effect, a significant effect on teenage smoking and the number of teenagers who become addicted to smoking and ultimately will be an improvement to their health. The third argument for the increase in the cigarette tax is that it will be a part of...it is part of the Governor's program to generate additional revenues for the State of Nebraska to take care of our shortfall. As I pointed out earlier, it is about a \$4 million revenue raiser this year and about a \$7 million revenue raiser next year. The second aspect of this bill, which I know a lot of you have been lobbied about, and I do want to discuss it, that is the issue of the stamper's discount. Virtually every state of the United States that collects a cigarette tax, and all states do collect a cigarette tax, require the wholesaler who collects that tax to put on each package of cigarettes the state stamp. They require that to be done. Virtually every state allows those wholesalers a commission for doing that piece of work. Interestingly enough there are a couple of states, Michigan is one of those and I believe Alaska is the other one, I don't know, my memory is faltering right this moment, but there are at least two