

That will result in an erosion of about \$170,000 in the amounts of money that the wholesalers have collected heretofore in the affixing of the stamp. A hold harmless percentage would be four percent, that would be a hold harmless percentage, four percent. Three percent does not hold harmless, it erodes the discounter allowance...or the wholesaler allowance. On the other hand, that allowance at three percent puts us more in line with Iowa, Kansas, South Dakota and our sister states. I have some material which I will have a Page pass out which indicates what the discount rate is for our sister states. You can see that the three percent still puts us above our sister states. That is the nature of the bill.

SPEAKER NICHOL: Do you have an amendment, Mr. Clerk?

CLERK: Mr. President, the first amendment I have is offered by Senator Marsh. (Read Marsh amendment found on page 102 of the Legislative Journal.)

SPEAKER NICHOL: Senator Marsh, please.

SENATOR MARSH: Thank you, Mr. Speaker and members of the Legislature. The Marsh amendment would increase the nominal tax rate from 18 cents to 25 cents, a 7 cent increase, rather than the 5 cent increase called for in LB 3 as introduced. The amendment leaves the proposed wholesalers' commission at three percent, so that should make them happy. At 25 cents our rate would still be lower than that of our neighbor state, Iowa, which is 26 cents, and lower than Maine at 28, Oregon 27 and 26 cent rate in Massachusetts and Connecticut. At 25 cents our rate would be the same as New Jersey's and Wisconsin's rate. A 25 cent tax rate would increase in estimated General Fund revenues of \$6.2 million for this fiscal year, '85-86, and \$11.6 million for '86-87. That would be a sizeable increase yet this year. The 5 cent increase would be 4.3, and next year would be 7.4, that is over two million additional dollars for the current fiscal year, from 4.3 to 6.2, a sizeable income next year when we are going to continue to be short of dollars for our state, from 7.4 million next year to 11.6 million next year. This is an option. We are short of cash revenue for our state. This is something you could consider. Is this something you would like to consider? The wholesalers would benefit through this amendment an additional amount because it would be additional tax dollars. Thank you.