

SENATOR HEFNER: Not that I know of. It certainly isn't a compromise on my part.

SENATOR PIRSCH: All right, thank you.

SPEAKER NICHOL: Senator Vard Johnson, then Senator Pappas.

SENATOR V. JOHNSON: Mr. Speaker and members of the Legislature, based on my rough calculations, this particular amendment that Senator Hefner is offering would result in a distribution to the 54 tobacco wholesalers in Nebraska of \$365,000. In other words, we are going to collect from smokers because of the nickel increase in the cigarette tax \$7.5 million. However, we will not collect all of that tax from the smokers. Instead we will allow the tobacconists, that is the wholesalers a portion of the taxes that the smokers are paying. Now it would appear under Senator Hefner's amendment that we will allow our wholesalers \$365,000. That will be our gift. It will be known as a cigarette stamp tax gift to the wholesalers of Nebraska because, mind you, these wholesalers will not have to do one iota of additional work because we have increased the tax, not one piece of additional work because we have increased the tax. They don't have to put two stamps on the cigarette package. They simply put one stamp on the cigarette package, the same stamp they have been putting on there forever, except, of course, the number will change from 18 to 23. So there will not be any additional work that the wholesalers will have to do to collect their \$365,000 Hefner gift. None. Now the wholesalers will make one point, and it is not a bad point. The wholesalers will tell you this, that they have to go to the Department of Revenue and buy their cigarette stamps in advance. They buy them right now and they put those stamps on the packages and they then sell those packages to their retailers either for cash or on credit. So there is a period of time when they have money out of their pocket, they have money out of their pocket for those stamps before they receive money from the retailers for the cigarettes including the stamps, and they will tell you that they, in effect, are carrying taxes for the state, they are carrying taxes for the state for a period of time, and because they are carrying taxes for the state, they will tell you that they should be allowed a carrying charge. Now the carrying charge that they are suggesting for this new tax of \$7.5 million be \$365,000. They are suggesting that we give them \$365,000 because they pay for the stamps in