

I would like to ask Senator Hefner a couple of questions for clarification. Senator Hefner, you said you can't speak for the wholesalers as to what their position on this bill would be if the commission was allowed to remain at 5 percent so that is not what I am asking you. I am not even going to refer to that. How does the wholesaler determine what he is going to charge when he passes on this commodity? Is there a limit to what that wholesaler can charge? Is the pricing structure, in other words, fixed by law or how is that governed?

SENATOR HEFNER: Senator Chambers, I can't answer that. I would suggest that you ask a wholesaler that question.

SENATOR CHAMBERS: Okay. Well, does it seem to you that they could raise the amount they charge if they wanted to or you just rather not answer that one since you are not sure?

SENATOR HEFNER: Well, perhaps they could but you have to remember that these wholesalers are in a competitive world and the cigarette business is very competitive, just like all the other businesses across our state are.

SENATOR CHAMBERS: Okay, now would these wholesalers, if you have talked to any of them, quit dealing in cigarettes if this commission were reduced?

SENATOR HEFNER: You would have to ask them that question but it could be.

SENATOR CHAMBERS: But it is doubtful, isn't it?

SENATOR HEFNER: You said that, I didn't.

SENATOR CHAMBERS: All right, now if this bill passes, LB 3E, forgetting what we are talking about now, the tax will increase by how much?

SENATOR HEFNER: The tax will increase by 5 cents per package.

SENATOR CHAMBERS: Okay, the commission that the wholesaler gets, is that based on a set dollar amount or a percentage?

SENATOR HEFNER: That is set on a percentage.