

SPEAKER NICHOL: We are back on Select File on the advancement of the bill. Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the Legislature, this bill did fail to advance last week. It had 24 votes to advance and I don't recall the precise number against advancement. However, the bill was brought before the Legislature on a day when there were serious...when a lot of us were not here, including myself and I apologize again for not being here. Had I been here I would have been the 25th vote to advance the bill. I would ask that this bill be advanced. Again this is a part and parcel of our overall budget package. There are those who say that we should not balance the budget simply by increasing the rate of taxation on smokers. The truth of the matter is we are not balancing the budget simply by increasing the tax rate on smokers, we are working through our budget problems over the long pull by expanding our sales tax base which we did during the regular session, by increasing our alcohol taxes which we did during the regular session, by increasing our cigarette tax which you now have in front of you, by increasing our income tax rate which we are doing during this Special Session, and I suspect during the next regular session by looking at the bank tax because we've pretty well worked that issue through, and looking at some other revenue sources. This is simply part and parcel of a long continuum of revenue changes that we are addressing and needs to be made. This bill, of course depending on the timing of its implementation, can generate from \$1.5 million if it is not implemented with the emergency clause, to \$4 million if it is implemented with the emergency clause. I would ask that it be advanced to Final Reading.

SPEAKER NICHOL: Senator Nelson, then Senator Rupp, then Senator Schmit. Senator Nelson, please.

SENATOR NELSON: Mr. Speaker, members of the body, I did a little research on where the federal...where they retained the eight cents a pack for cigarettes. I know I received, and many of you received, which I did not necessarily appreciate maybe, a good number of postcards from my district. I think with that same information out I believe the federal tax...something like about \$3.60 or 36 percent I guess for a tax on cigarettes. I certainly agree that is high as a sin tax I guess. But on the federal level there