

March 16, 1976

SENATOR F. LEWIS: Question for Senator Bereuter.

SENATOR BEREUTER: Yes sir.

SENATOR F. LEWIS: Senator Bereuter, this means that the money collected from the citizens of Bellevue will be turned over to the State of Nebraska for General Fund?

SENATOR BEREUTER: That is correct.

SENATOR F. LEWIS: Senator Bereuter, then I have some comments to make about that.

SENATOR BEREUTER: Rather than the cash fund.

SENATOR F. LEWIS: Well, Senator Bereuter, I supported your initial effort to cut down the collection cost of three percent from the Tax Commissioners Office and return that money to the city of origin. I would continue to support that. I may have a subsequent amendment to say that that \$400,000, or whatever the number that you've got it in, is returned to the citizens where it's collected. I, for one, can't follow the logic here. First of all if you are suggesting that the Tax Commissioner is over-spending in terms of the collection of money from Omaha, Lincoln and Bellevue, I can be most appreciative of that. But to suggest he's over-spending and then take the money that's collected from those cities and turn it into the General Fund, the logic of that escapes me. Perhaps you would explain that in a little more detail as we go along. In fact, I'd ask you that question.

SENATOR BEREUTER: I'd be happy to. I had my light on already to respond to you.

SENATOR F. LEWIS: Well then please use some of my time.

SENATOR BEREUTER: If you turn to page 12, Senator Lewis, you'll find some directive language to try to find out exactly how the money that's being supplied by Bellevue, Omaha and Lincoln citizens is being spent in the Department of Revenue. It's estimated that \$875,000 will be collected by that means next year which is no small sum. By moving it to the General Fund, rather than to cash fund, the Appropriations Committee has more ability to supervise the expenditures of that money in practice. We have it the other way and in truth also. It's rare.... The cash funds are rarely examined that closely. We feel that by moving it into the General Fund we're going to be much more careful in appropriating General Fund money for the Tax Commissioners' use in operating this particular function. If you look at the language I'd like to read it to you, as a matter of fact. This directive language is found on page 12, beginning on line 17. "The Department of Revenue shall make a study of the administrative costs to collect city sales tax for Lincoln, Omaha and Bellevue, submit a report detailing such costs to the Governor and Executive Board of the Legislative Council on or before November 1, 1976. Such report shall be prepared with existing agency staff. The report shall include a detailed explanation of the necessary procedures used to collect, credit and reimburse the cities for the tax collected, including,