

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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February 18, 1999 LB 214, 802

SENATOR CUDABACK: LB 802 is advanced. It's now a great pleasure for me to introduce our next guest. Under the north balcony, Senator Byars introduces the Honorable Senator Chuck Hagel. Would you please stand and be recognized by the body. It's truly an honor to have you here. Thank you very much. Mr. Clerk, next item.

ASSISTANT CLERK: Mr. President, the next item is LB 214, it was introduced by Senator Landis. (Read title.) The bill was read for the first time on January 11th, referred to the Revenue Committee. I have no committee amendments attached to the bill.

SENATOR CUDABACK: Senator Landis, you are recognized to open on LB 214.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature. You can go out now and buy a prepaid credit card for phones, 10 bucks, 20 bucks, 30 bucks. Taking that phenomenon and sticking it into our sales tax laws, we tell ins...we tell phone companies to keep records of all the calls that are made and, depending on their location, depending on where they're made and their duration, they pay a tax to us on this...on the...sales tax on the use of the card. The simple way to do this...

SENATOR CUDABACK: Members, I know it's difficult right now, but please keep the noise down to a low roar, under the circumstances. Thank you.

SENATOR LANDIS: Oh, there's a rock star in the house, we should expect this. (Laughter.) The simple way to do this is to tax at the point of sale. You take the surface, the face value of the card, you charge a sales tax on that, you collect that sales tax, then we don't have to worry about making the phone companies account for where the calls were made, and to whom, and when, and what amount there was, and what wasn't used, what was used. This is either revenue neutral or a revenue increase. In fact, in Iowa it proved to be a revenue increase. Sprint there moved from paying about...I have to remember the numbers, it was \$20,000 in sales tax, and it moved to \$40,000 after this change was made, or it was \$40,000 and it moved to \$80,000. Whichever set of numbers it was, it doubled. Sprint told us at