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LB 171, 245

PRESIDENT MAURSTAD: Senator Janssen, you're recognized to open.

SENATOR JANSSEN: Thank you, Mr. Lieutenant Governor, members of the body. AM2843 (sic--AM2992) is essentially LB 245. It was heard by the Revenue Committee and was indefinitely postponed. LB or AM2843 (sic) provides a sales tax exemption from postage charged for transporting circulars and advertising materials sold by any method offered by the United States Postal Service. The amendment is designed to do away with what I believe is an arbitrary and unfair tax on postage charged for transporting advertising material. I am very familiar with this tax because, as a business owner, I have had to deal with this tax when I advertise specials for my store. The problem is that the tax applies in some situations and not others. For example, if a circular is printed by a printing company for a business and the printing company mails the circular on behalf of the business, with the business then reimbursing the printing company for the postage costs, there's any sales tax charged on that postage. But if the printer prints the circular for the same business and sends it back to them, to the business, to allow the business to mail it themselves, then there is no sales tax on the postage. I've passed out a little flier here that will explain to you the difference that I'm talking about. Let me clarify this. There is no difference in who pays the postage. The business pays it in both cases. There's no difference in who pays for the fliers. The business pays for that in both cases also. There's no difference in who receives a flier. The recipients are the same. The only difference is that in one case the printer mails the fliers out for the business as a courtesy; and, in the other case, the printer mails them to the business to mail it themselves. There is no financial gain for the printer. It merely mails out the fliers to make it more convenient for the business that they serve. The explanation for the difference is that, according to the current law, sales tax can be imposed for transportation costs. The department is interpreting the transportation costs to include postage. In other words, the tax can be imposed by mailing out fliers from one location in Nebraska but not another. If a printer takes the extra steps of mailing all the fliers to the business they were printed for before they are mailed out to the consumer or to the customers, then there is no tax on the transportation costs. This does not...this, in my opinion, does not make sense. The issue is