



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 311

Hearing Date: February 24, 2005
Committee On: Revenue

Introducer(s): (Byars, Cunningham, Janssen, Jensen, Johnson, Stuthman)
Title: Provide requirements for retail cigarette dealers relating to sales tax

Roll Call Vote – Final Committee Action:

Advanced to General File
Advanced to General File with Amendments
X Indefinitely Postponed

Vote Results:

7	Yes	Senators Baker, Cornett, Janssen, Landis, Preister, Raikes and Redfield
0	No	
0	Present, not voting	
1	Absent	Senator Connealy

Proponents:

Janet Anderson, Legislative Aide
Christopher Beard
David Holmquist
David Schulte
Kathy Siefken
Jim Moylan

Representing:

Senator Dennis Byars, Introducer
Philip Morris USA
American Cancer Society
NE Association of Tobacco & Candy Distributors
Nebraska Grocery Industry Association
R. J. Reynolds Tobacco Company

Opponents:

None

Representing:

Neutral:

None

Representing:

Summary of purpose and/or changes:

LB 311 would have required all retail cigarette dealers to register with the state and collect sales taxes, regardless of whether or not the retailer is located in the state or outside. The bill also provided that no remote sale of cigarettes (Internet, mail order, or telephone solicitation) could occur in the state unless the dealer has a certification obtained through the deliverer that the purchaser is not a minor. The purchaser was to sign the certification assuring that he or she is of legal age and an acknowledgment that purchases by or for persons under the legal age is illegal.

The retailer would have been required to verify the certification obtained from the purchaser by using a commercially available database. All bills and invoices must contain the sales tax permit number from the Department of Revenue. All retail shipments of cigarettes into Nebraska were to be stamped "CIGARETTES" and bear a warning that the seller has reported the sale to the Department of Revenue and the buyer may be responsible for taxes on the cigarettes. The Department of Revenue was to publish a list of active cigarette licensees and update the list monthly.

Explanation of amendments, if any:

Senator David Landis, Chairperson