



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 598

Hearing Date: February 4, 2005
Committee On: Revenue

Introducer(s): (Jensen, Kruse)
Title: Increase alcohol taxes and provide funding for substance abuse services

Roll Call Vote – Final Committee Action:

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

Vote Results:

5	Yes	Senators Baker, Cornett, Landis, Raikes and Redfield
0	No	
0	Present, not voting	
3	Absent	Senators Connealy, Janssen and Preister

Proponents:

Senator Jim Jensen
Kristin L. Ford
Dick Kalkwarf
Susie Dugan
Diane Riibe
Dr. Scot Adams
C. J. Johnson

J. Rock Johnson

Representing:

Introducer
Herself
Himself
PRIDE-Omaha, Inc.
Project Extra Mile
Catholic Charities
NE Assn. of Behavioral Health Organizations,
Region V Systems
Herself

Opponents:

Gary Blinn

Mary Campbell

Jim Moylan
Walt Radcliffe
Gordon Kissel
Kathy Siefken
Tom Vickers
Dennis Rasmussen
John Lindsay

Representing:

NE Beer Wholesalers Association and
Norfolk Beverage Company
NE Beer Wholesalers Association and
NE Wholesale Liquor Distributors Association
Nebraska Licensed Beverage Association
NE Wholesale Liquor Distributors Assn.
Anheuser Busch
Nebraska Grocery Industry Association
Coors
Miller Brewing Company
Finocchiaro Wine Company

Neutral:
Hobert Rupe

Representing:
Nebraska Liquor Control Commission

Summary of purpose and/or changes:

LB 598 would have amended section 53-160 to increase the alcoholic beverages tax approximately 42 percent on all beverages except farm wine. The proposed increase per beverage is shown in the table below.

Beverage	Current Tax	Tax – LB 598
Beer	31 Cents/Gallon	44 Cents/ Gallon
Wine	95 Cents/Gallon	\$1.36/Gallon
Farm Wine	6 Cents/Gallon	6 Cents/Gallon
Spirits	\$3.75/Gallon	\$5.36 Gallon

All of the proceeds from the new tax would have been deposited in the Dependency Care Trust Fund, a new fund created by section 1 of the bill. The current yield from the tax continued to be deposited in the state General Fund. Each fiscal year, by July 15, the State Treasurer was to deposit \$10 million from the Dependency Care Trust Fund to the Nebraska Health Care Cash Fund. The Nebraska Health Care Cash Fund consists of receipts from the Master Settlement Agreement with tobacco companies and deposits from the intergovernmental transfer program. The bill carried the emergency clause, but not an operative date.

Explanation of amendments, if any:

Senator David Landis, Chairperson