

April 24, 1979

LB 120

Are we talking about manufacturing, wholesaling and retailing or just...it sounds to me like it is a three tiered tax.

SENATOR JOHNSON: Well as best I can read it, Senator Dworak, and I am reading it pretty much on the spot, it is a two tier. It only deals with wholesaling and it deals with manufacturing and selling.

SENATOR DWORAK: It has nothing to do with retailing?

SENATOR JOHNSON: No, I don't see retailing.

SENATOR DWORAK: So if goods are manufactured outside of the state then they are taxed only on the wholesale basis.

SENATOR JOHNSON: That is correct.

SENATOR DWORAK: And, if they are manufactured in the state then they are not taxed on the wholesale basis.

SENATOR JOHNSON: Well if they are manufactured in the state then they are taxed by virtue of the manufacture and sale within the state. I suppose that could be a retail sale literally in the state and they could then be taxed. That shows you the level of my understanding.

SENATOR DWORAK: Senator DeCamp, you having brought in these amendments could clarify that point.

SENATOR DE CAMP: Well...

SENATOR DWORAK: I think that this is an important point. I think this is a serious bill. You are talking about raising a million dollars or...

SENATOR DE CAMP: Somewhere between half a million and a million. Mr. Harrington, the Tax Commissioner, is at this moment working on trying to get us the exact figures. It is not that easy of a thing to determine, I understand, they have to collect statistics...statistical data, so on and so forth and then they are trying to come up with an exact cost of collection. The cost of collection should be not too unreasonable because of the fact that it is only two tiered. Previous legislation as you know was very broad, somewhat like a shotgun and for that reason had a difficult and expensive collection cost in it. I will get you additional information on the exact mechanics on it, but I would like to sit down with Mr. Harrington and the people that are working on