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LB 361

one percent, that simply means revenues not flowing to the State of Nebraska but remaining in the pockets of the distributors. Now how much essentially is at issue? Approximately three million dollars represents today's shrink allowance. What my amendment would do is simple, it would reduce the present shrinkage allowance from three percent to two percent of the first sixty thousand gallons pumped per month, sold by the distributor per month, I should say, and also to one percent of the gallons in excess of sixty thousand gallons per month. Now the reason that I have broken the shrink allowance into these two figures is this. This issue, this issue came before the Revenue Committee last year and we discussed it in some detail. In fact on one day the committee actually approved the amendment but that night calls went out, in the dark of night calls went out, and the following day the committee stripped away that amendment by as many votes as I had received the first time around. Now the reason, the simple reason that I broke this at sixty thousand gallons per month is I learned from oil distributors and jobbers that shrinkage, that is loss of gallons, is more likely to occur with the smaller distributors in gallonage than with the larger distributors in gallonage. It therefore seemed appropriate to distinguish those distributors that sold less than five hundred thousand gallons a year from those that sold more, and it was for that reason that I settled on sixty thousand gallons per month as the breakpoint. But here is the truth of the matter, if we end up increasing our gasoline tax which I believe we are going to do, even though there is no alteration in the number of gallons that are pumped or sold, I should say, even though there is no true change in the losses, the shrinkage losses, that the distributors themselves sustain, nonetheless, all distributors in effect receive a windfall. They receive a windfall by this Legislature's increasing the gas tax. Why? Because since the law says three percent of the same gallonage, they get the three percent allowance. Then when we increase the tax, that is just more money in effect in their pocket and out of the state treasury. This is a very sound amendment. It would begin to bring the state in conformity with what some of the other states have. You will discover in your yellow packet a chart showing what other states have in terms of shrinkage allowances and you will see again that Nebraska ranks among the most generous. I move the amendment.

SPEAKER MARVEL: Senator Warner, do you want to speak to the Johnson amendment?

SENATOR WARNER: Mr. President, I don't want to get involved in a parliamentary problem. I don't know if the