

May 14, 1981

LB 3

If all the utilities collect a total of \$2,222,216 which is what they collected in 1980, over \$2 million in sales tax, and if they deposited that over \$2 million into a simple passbook savings where you get the lowest amount of interest, they make an additional 116,000 or 117,000 dollars in interest, thus the total amount utilities actually receive from sales tax collection fees and interest is almost a million dollars. It is \$916,916 a year. I want to draw your attention to something you may not be aware of. People who are indigent and on welfare, the state pays the utility companies direct for their heating bills so is the state paying MUD 3% to collect the sales tax on a bill that the state is picking up anyway? That is kind of like double taxation for the taxpayers. At the time my bill was introduced just asking the committee to allow my bill to come to the floor that would eliminate just the 3% fee, since the utilities are making money off of the banks with the sales tax they hold, Omaha Public Power District's lobbyist, Delbert E. Dirrim stood up and said, we don't want 3%. I have an amendment here for you senators and I want you to raise OPPD's fee to 5%. Consequently, two senators on the Revenue Committee asked for an audit of OPPD's books to see how they would justify 5%. Here is the answer that their lobbyist wrote. I won't give you all of it because it is very lengthy but he says, "At the time this request seemed easy but I discovered much to my surprise OPPD has never kept separate records of several of the cost factors involved with the exception of direct wage cost attributable to this function." And they collect 200 million dollars annually for their services. It has never been deemed necessary or worthwhile to keep separate records on these factors other than direct wage costs. Senator Carsten said something about how hard it was to keep these factors separate. There is your answer, Senator Carsten. OPPD does not even think it is worthwhile. It is such an insignificant thing and to this date OPPD has not come back and justified the 5% that they demanded and as far as the argument that the rural senators are going to pay through the neck, I think everybody here in agriculture knows that Senator Labeledz and I have always been a friend of agriculture. Any of you agriculture senators that want to put an amendment up there amending our amendment and excluding agriculture and a list of things that Senator Cal Carsten has read off, I welcome it. All we are trying to do is find some relief for the poor homeowner who is having a tough enough time paying their heating bills and their lighting bills and if we just get this off for them it will be something and the farmers can still go on and have their exemption. I certainly will vote for it. I know Senator Labeledz would vote for it. This is all I want to mention on this particular amendment that I had offered but I am speaking to the bill.