

of price increases. The sales tax that you now pay on a cigarette pack is three cents, not two cents, making in Nebraska a seventeen cent tax obligation, fourteen cents cigarette tax, three cents sales tax. Compared to the surrounding areas, Wyoming with a total tax liability of eight cents, Colorado ten, Kansas thirteen, Missouri eleven at our present rate of seventeen cents. Given 753 with the committee amendments we are looking at twenty-one cent tax in Nebraska. There is a very real probability of bootlegging cigarettes and the driving across state boundaries to buy cigarettes at these lower tax rates. This hurts not only the state coffers but also Nebraska retailers. Again, not because of some past imbalance of our tax versus other states, not restoring some equitability but simply because we need tax money, we need revenues now. With respect to South Dakota and Iowa we are in the ballpark but twenty-one cents will place us above every one of our surrounding states. The potential for businesses on the perimeter of our state to lose money is very great. What I suggest to this body is that we pass 753 with the committee amendments at this stage but I hope that we do not delude ourselves into thinking that 753 has the same merit that LB 760 does, that with 753 we are restoring some longstanding equitable balance between various taxpayers. In fact, we are making a grab for some revenues for a short term problem and I would suggest to the body that we not for close the possibility of alterations in this bill, that we not stop looking for alternatives, that perhaps at the Select File stage we need to consider other methods of eliminating...

SENATOR CLARK: You have about thirty seconds left, Senator Landis.

SENATOR LANDIS: Thank you...the impact of this bill. Unfortunately we are now being called upon to set a delicate equilibrium and setting the scales in the middle of a wind storm. I don't think permanent solutions can be arrived at in these conditions. The times are unstable. Our answers should be short term in response to those conditions and for that reason I will support 753 but look for alternatives to maintain fairness and equity in these tax rates. Thank you.

SENATOR CLARK: Senator Beutler.

SENATOR BEUTLER: Just a question, if I may, of Senator Carsten.

SENATOR CLARK: Senator Carsten, will you yield?

SENATOR BEUTLER: Senator Carsten, the first question I was interested in was answered in part by Senator Landis, that is the situation in surrounding states. The other question I was interested in that I have heard nothing on so far is, what has been the history of the cigarette tax increases in this state