

SENATOR LANDIS: Right.

SENATOR HEFNER: How do you arrive at the three cents sales tax per package?

SENATOR LANDIS: The cost of a package of cigarettes now is high enough in this state to trigger a three cent liability for paying that...for purchasing that package of cigarettes.

SENATOR HEFNER: Okay then, if I buy a pack of cigarettes out of a machine at sixty-five cents a pack that means that that vendor pays three cents sales tax. Is that right?

SENATOR LANDIS: Right.

SENATOR HEFNER: That would probably be true in Omaha or Lincoln but I doubt if whether it would be true in outstate Nebraska. Right?

SENATOR LANDIS: I don't smoke cigarettes, haven't bought a pack out there, but, Elroy, I defer to your judgment.

SENATOR HEFNER: Okay, thank you.

SENATOR LANDIS: My own experience in Lincoln is that there would be a three cent sales tax.

SENATOR HEFNER: Okay, thank you.

SENATOR CLARK: Senator Koch.

SENATOR KOCH: Thank you, Mr. Chairman, members of the body, it is always easy to add on another sin tax. No one is going to say too much. I remind Senator Hefner, if I were in here today with a bill wanting to increase the gasoline tax by four cents he would have a conflict of interest and I think that is probably what we ought to do and see how willing Senator Hefner would be to buy that argument. I know the state is hard up and I'm sure that if we added four cents to the gasoline tax and put it in the general fund we could pay the state patrol and that is maybe what we ought to do because probably we would raise more money with four cents on a gallon of gasoline and diesel fuel than we would by taxing that great sin, cigarettes. I smoke. Since I have been here I've redoubled my effort because I want to get the building award at the University of Nebraska some day because of the tax I pay to support and build buildings. I don't mind paying that tax because that is for structures that are used for public purposes. When we start using tax on cigarettes to increase our general fund, that is going a little bit too far. I agree with Senator Landis. You start taxing cigarettes at the point that we are