

CLERK: 27 ayes, 0 nays, to cease debate Mr. President.

SENATOR CLARK: Debate is ceased. Senator Wesely, do you wish to close?

SENATOR WESELY: Mr. President and members of the Legislature, I can understand the concerns for the wholesalers, I think we all want to be fair to them but nevertheless the research I have done shows that we have been fair to the wholesalers in the state, that we have provided them with more than an adequate discount in the years past and we are now talking about a windfall of almost half a million dollars that they are going to have in increased revenue as a result of the increases in the cigarette tax as of last year and what is proposed this year. That is a pretty hefty increase in their discount and it seems to me questionable. In looking at other states in 1979, which is the ~~last~~ year we could compare we find again that only seven states had a higher per case discount than Nebraska. We found that the average state per case discount was about \$2.42 and yet we were \$3.90, which is a substantial amount greater than the average state discount. At the same time we are now talking about raising that to \$5.40. Now I don't know what the average state discount is, this year, but nevertheless it is undoubtedly less than that as was the case in the past. So what I am talking about is fairness to the tax payer, that is really what I am talking about and I know this issue has come before the Revenue Committee and I know they rejected it in the past but that doesn't mean that that is the right thing to do for this Legislature to take a look at, the circumstances are different. At that time we weren't talking about an increase in the cigarette tax of 4¢. We are not talking about an increase in the discount of about a half a million dollars, a windfall going to the wholesaler. Now it seems to me that this is a legitimate time to raise some of these questions. It seems also clear to me if you ask yourself, okay, they do have these costs involved but these are costs that are not going to change because of the increases in taxes, the volume is going to be the same. They are going to be doing the same sort of work where they are going to be making a half a million dollars more out of it over last year for the same sort of work. Now I understand that there is an increase in cost but lets not talk about that sort of an increase in cost due simply to inflation. I had done about a year ago, actually two years ago, a study on tax exemptions. I was concerned about tax exemptions and one of those exemptions that was pointed out to me was this area. I was concerned every since that time about it. But we have all kinds of tax exemptions that we in our laws that we haven't been looking at this session as we talk about the