

SENATOR SCHMIT: It is not good policy to allow, by our inaction, an agency to collect another 14 or 15 million dollars of tax annually without the public even being aware of its occurrence until they begin to pay the tax. So I want to reiterate what Senator Lamb said. If you are not in favor of an additional tax on the people of the State of Nebraska, then you would vote yes on this bill and vote to advance it. I may have some more comments later but that is, basically, what we have to decide.

SPEAKER BARRETT: Thank you. Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, the Revenue Committee held a public hearing on this last week, I believe it was, and I thought it was a very good hearing. It was a very informative hearing and the State Tax Commissioner did appear and tell us why they felt they should charge a tax on it, and I disagreed a little bit with him. I believe you could even consider this a service, and we do not tax...we do not have a sales tax on services. Also, like Senator Schmit said, you could consider it, I believe, a wholesale sale, and we do not have sales tax on wholesale sales but, anyway, they audited some of our telephone companies and so I think it is time, it is high time that the Legislature steps in and sets tax policy because we didn't intend to have this access service taxed. Some of our neighboring states have had the same problems. I especially refer to the neighboring State of South Dakota and Iowa. They have seen fit to exempt them from sales tax, I believe. South Dakota did it by legislation and Iowa did it by administrative rule. So you can see what is going to happen if we allow our tax commissioner to charge these sales taxes. These telemarketing companies will move out. I realize that maybe the cost on each call is only 20 cents or 40 cents or 60 cents which we don't think amounts to too much, but when you have hundreds of calls, thousands of calls, it adds to the bill fairly quickly. I understand that Colorado, the sales tax on access charges is in the courts in Colorado and the court will decide, but I think this is a legislative decision and I hope we make it. Our telemarketing business is growing by leaps and bounds in Nebraska and we want to keep it that way. I know that we have one or two in northeast Nebraska and I certainly don't want them moving to South Dakota or to Iowa, and so I just feel that we ought to pass this bill and we ought to pass it fairly early in this legislative session. Thank you.