

first with the bingo tax. And the bingo tax, if you look to item number 4 on the committee amendments handout, it says bingo tax will drop from 10 to 8 percent of receipts, and the 2 percent will be taken away from the portion of the tax that goes to the municipalities and the counties. Currently we tax bingo at 10 percent of gross. We tax no other form of gambling at that high a level. Nebraska traditionally has taxed bingo at 10 percent, but we also have been the highest bingo taxing state in the nation. At 10 percent we far exceed the next lowest state, which is at 6 percent. And the reason for that, if you'll turn to the handout sheet, it's listed as number 4, handout number 4, you see there a bingo history, and it goes back to 1959, when the tax was put at 10 percent of gross proceeds, 5 percent of which went to the city or county, 5 percent went to the state. The reason for that was that the tax was collected by either the city or the county. So they garnered a share of those proceeds, because basically they did the work for the Revenue Department or the Governor's office at that time, which actually revenue...regulated the operation of the pickle and the bingo...excuse me, bingo, at that time. So you had a 50-50 split between the city or the county, whoever was monitoring it, and the State of Nebraska. In 1969, the regulation and oversight was changed to the tax commissioner, the tax was not changed, it stayed at the same split. Also, in '78, regulation was changed to the state treasurer, the split remained the same. In '83, the tax was changed, there was basically a total rewrite of the charitable gaming provisions in the statutes. The tax was increased to the state, reduced to the cities and the counties, and the regulation then went to the Bingo and Pickle Card Regulation Commission, which has evolved now into the Charitable Gaming Division of the Department of Revenue. In 1986, again, that change to the division was made, but the split stayed at 60-40. Since, and even in 1986, there have been a number of changes, a number of bills introduced to reduce the amount of tax that goes to that local subdivision, whether it be the city or the county. The purpose for that is that since the change was made with regard to the collection of the tax, so that the city or the county no longer had to collect that tax and then submit it to the state, there...and that was one of the purposes for the reduction in the shift, at the time, that was made from 50-50 to 60-40, the state collected a greater share because they had complete control and oversight. Each year for at least the six years that I have been here there has been legislation introduced that dealt with reducing the amount that goes to the local subdivisions. The total amount that the