

private schools, and for us to take it away from them entirely at this point I think would be unconscionable. Also I will be supporting, naturally, all of the bill. The racing tax portion of it is the same concern. This is something that has been with us and with us for some time, and a little later on, I will go down through some of the organizations and some of the groups that are supported again by that tax. And I guess that by our doing away with all of them or any of either the pickle cards or the racing tracks and so on, the state would probably lose more than they would in the end by this small cut in the revenue. So I will be supporting hopefully all three portions of the bill.

PRESIDENT: Thank you. Senator Schmit, followed by Senator Wesely and Senator Chambers.

SENATOR SCHMIT: Well, Mr. President, and members, one of the things I would like to call your attention to is the schedule you have handed out to you which outlines the changes in the taxes on bingo and pickles over the last few years. Up in...in '59, in '69 it was changed, '78 changed, '83 changed, '86 changed. Pickles, in '83 it was changed to 2 percent of gross, '86 it was changed to 3 percent of gross, '88 it was changed to 20 percent of definite profit, '89, the tax was changed to 13 percent of definite profit. Those were just a few changes. What you really do not see, ladies and gentlemen, is what happens to the gross, and I would suggest that you have a problem which is almost impossible to resolve unless you change the entire system which you are operating. I think that the Department of Revenue is doing as good a job as can be expected of them, given the statutes we have given them, but if anyone believes that we are collecting all of the revenue that is being gambled in the State of Nebraska, then you are pretty naive. The facts are that the industry is much larger than the reported numbers. I don't know about the bingo end of it but the pickle industry, ladies and gentlemen, is an invitation to chicanery. And I don't care if you give Mr. Hirsch ten times the people he has got, he'd have to check those places every day, every week, at least, to be able to stay on top of it. The amount of tax collected on these industries is really insignificant unless you collect it on all of the industry. What you do if you do not do that is you penalize those outlets that are legitimate, that try to operate within the law. Now at one time there was proposed that we would have a Gaming Division in the State of Nebraska and then it was determined apparently that it was not necessary. I think that eventually you are going to have to have a Gaming