

and so my amendment simply makes a level playing field for both of these publications, both periodicals and newspapers. And I think if we do not do this at this time, ladies and gentlemen of the Legislature, I think we will lose a lawsuit and we may lose revenue back four years ago. And I think you are going to hear from some of my good friends on the other side. Senator Will, for one, is going to say, no, this is...we will take a chance and so I urge you not to take a chance but simply to support my amendment dealing with both newspapers and periodicals.

SPEAKER BAACK: Is there discussion on the amendment by Senator Hartnett? Senator Will.

SENATOR WILL: Thank you, Mr. Speaker, members of the body. I rise in opposition to the Hartnett amendment to LB 773. As you may recall, this is an issue that we discussed rather vigorously on General File when we talked about whether we ought to, in fact, tax all sales of newspapers, which are currently exempt, as the Revenue Committee had recommended. Ultimately, what we did on General File, if you also will recall, is we returned to the present situation which is that subscriptions are exempt, all sales of newspapers are exempt, subscription magazines are exempt. Over the counter periodicals, magazines are taxed. One of the reasons that I rise in opposition to this amendment is very simple, it is that this amendment costs the State of Nebraska between 800,000 and a million dollars a year by the estimates that we have. And I don't know if here on Select File, with 25 days left in the session, and us trying to balance the budget, if we need to take a revenue hit of 800,000 to a million dollars. I think probably the more prudent course is to try and fashion a constitutional response to some of the concerns that have been raised, to try to maybe take a look at that over the interim, come up with something next session, rather than simply saying, we are no longer going to charge sales tax on any periodical that is sold over the counter. It would cost the state almost a million dollars. With that, I would urge your opposition to the Hartnett amendment.

SPEAKER BAACK: Thank you, Senator Will. Senator Hefner.

SENATOR HEFNER: Mr. President and members of the body, I rise to support Senator Hartnett's amendment. I think it is plain as day that if we don't charge sales tax for newspapers, well, then we shouldn't charge it for magazines or anything like that, periodicals. We debated this at length on the first stage of