

reimbursed the local subdivisions to the tune of \$97 million, or \$95 million. Yeah, we didn't have any problem doing that, but yet at the same time we're giving away revenue sources to them, right and left. You can't have it both ways, and that's what we're doing. We need to rethink that, we should rethink it now, but we're not about to do it, so I'm going to withdraw the amendment.

SPEAKER BAACK: The amendment is withdrawn. Next item, Mr. Clerk.

CLERK: Mr. President, the next amendment I have is by Senator Hall. Senator, your amendment would strike Section 1...subsection (1) of Section 11 out of the committee amendments.

SPEAKER BAACK: Senator Hall.

SENATOR HALL: Thank you, Mr. Speaker, members. This is the last amendment I have, and I believe it's the last amendment on the proposal. This is a very serious amendment. It does this, on page 9 of AM1071, which is the committee amendments, the white copy to the bill, Section 11 is lines 5...well, it's a number of...it's lines 5 through 12. I just strike subsection...or subsection (1) of Section 11. And it says, lottery tickets shall be exempt from the sales and use tax imposed pursuant to Section 77-2702 through 2713. What I do here is wipe out the prohibition of sales tax being levied on lottery tickets. I would urge adoption of the amendment.

SPEAKER BAACK: Discussion on the amendment? Senator Will.

SENATOR WILL: Mr. Speaker, members of the body, basically what Senator Hall is proposing to do is to allow sales tax to be charged on the sales of lottery tickets. The Revenue Department tells me that the other states that have state lotteries are split on whether they charge sales tax on the sales of lottery tickets or not. I guess I'm not quite sure what I'm going to do on the amendment at this point. I understand what Senator Hall is doing. These are a sale of an item that has all the characteristics of a taxable transaction. I suspect that what would happen is that, with the state wanting to make it convenient for people to buy tickets, they would end up pricing tickets such that the sales tax added on would arrive at a round number, so a ticket would be priced at 94 cents, or whatever, so