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LB 973

SENATOR JANSSEN: Senator Chambers, the reason that they were there is because they have to abide by the laws of this state, which means we have a three-tiered system right now. The liquor is shipped to a distributor. The excise tax or the duty is paid there at that...at that distributorship. Then the liquor is shipped to a retailer who then collects the sales tax. The taxes are paid. They are saying that the out-of-state wine makers or exotic beer people are shipping...

SENATOR SCHIMEK: Time.

SENATOR JANSSEN: My light is on.

SENATOR SCHIMEK: Senator Wickersham, you are recognized.

SENATOR WICKERSHAM: Madam President, members of the body, I heard a little bit of the discussion between Senator Redfield and Senator Janssen, and I want to clarify that discussion. To my knowledge, the bill that was passed in Congress, I think now two years ago, concerning taxation of the Internet did not do exactly what I heard discussed. What it did prohibit was new taxes on Internet services. It did not...did not affect any tax that was in existence on the date that the bill was passed and did not say that no tax could be collected on a transaction that was conducted over the Internet. What the situation is, is that a transaction conducted over the Internet is taxed, for sales tax or excise tax purposes, if it would be subject to tax under the normal laws of the state. In other words, if you're a provider and you have Nexus, you have got to collect the tax just as though you were, for example, in the case of a catalog carrier or catalog seller. LB 973 I think, Senator Chambers, I don't know whether there are any large, powerful interests that have a vested interest in this issue, but I would suggest to you that the state of Nebraska has an interest in this issue and it is the same interest that we have in this issue that we have in resolving the remote sellers taxation issue. We have catalog sales where transactions occur in the state of Nebraska, should be subject to sales tax, the sales tax is not collected. We maybe have transactions that occur over the Internet in which the sales tax is not collected. We are indeed struggling, Senator, to find ways to properly account for those transactions