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LB 973

SENATOR CHAMBERS: Senator "Kelly," here's the question. (Laughter) Would you tell me, for the record, what you were saying of how people can purchase directly from a winery without paying a tax.

SENATOR CONNEALY: Yes. Yes, we have a three-tier system in the state when it's sold in retail. That goes through a distributor and the distributor pays the tax. You can buy beer and wine and hard spirits directly from producers and, the way I understand it, some of these producers do not go through a distribution so they do not pay the excise tax, so you could buy alcohol without paying any tax on it. This bill would allow you to make it right on your own to pay that tax, and it would be voluntary. You would...there is not really good train of evidence so that you could find them; but if I wanted to buy some wine from someplace else and I wanted to make it legal in my...to myself, I could file the form and pay the tax.

SENATOR CHAMBERS: Now what is...what is the terminology for this producer who can sell it without having to pay the tax on it? Do you call it, the person, the producer?

SENATOR CONNEALY: Yeah, or direct...direct from the producer, yeah.

SENATOR CHAMBERS: Well, why is not the tax levied at that point?

SENATOR CONNEALY: That's not...

SENATOR CHAMBERS: ...because they have too much...

SENATOR CONNEALY: ...that's not the system of taxation that we have on alcohol in Nebraska, and I think of nationwide, but I'm not sure. This is relatively new to me. But we...we sell through a three-tier system and the distributor pays the tax.

SENATOR CHAMBERS: But now we're not just talking about the distributor. We're talking about the private citizen, and you want to ensnare the private citizen in this three-tiered system which is apparently there for the convenience of the state, I