

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

March 22, 2000 LB 171

usually respond that it's the sales tax. On the other hand, all of the bills that ever came to the, with the one exception and my apologies to Senator Brashear, most of the bills that come to the Revenue Committee are for exemptions from the sales tax because somebody doesn't like it; because in some respect they think it is unfair as applied to them even though in general they would, like others, perhaps respond that they think it is the fairest tax and the one that they think that is the least burdensome to pay. But somehow always, as applied to them, it's inappropriate. So it does represent kind of a paradox. The other issue that you present is, of course, the problem with what I would characterize as remote sales because they're not only e-commerce sales, but they are the catalog sales. And those kinds of transactions have been eroding the sales tax base not only for the state of Nebraska but in our case municipalities that have the local option sales tax. In addition, they are creating disparities in our economy between those who choose to conduct their business in a remote fashion and those who choose to have the storefront operations that we grew up with. The hometown retailers, the main street retailers are at a disadvantage in that circumstance, and they are at a disadvantage created by tax policy. No, I don't know whether the federal government is going to be able to do anything to resolve the issue. There was a commission, as you noted, appointed. They may...my understanding is at the moment they're hopelessly deadlocked and will not be able to make any recommendations to Congress.

PRESIDENT MAURSTAD: One minute.

SENATOR WICKERSHAM: We don't know what effect that will have. But certainly the state of Nebraska, other states, municipalities and other jurisdictions, counties and other local political subdivisions that rely on sales tax to finance any part of their operations must be concerned because it is a rapid growing portion of the economy. And to the extent it creates disparities between the treatment of the main street merchants and the remote merchants, it is bad tax policy and it is bad economic policy for the political entities.

PRESIDENT MAURSTAD: Thank you, Senator Wehrbein. Senator Landis, on the Janssen amendment.