

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

February 10, 2003 LB 282

people who buy on the Internet and who buy through catalog sales, are they different people, generally, than those who pay the current sales tax? I mean, one of the questions you would ask if you were thinking about increasing the current rate in order to make up for the money you're losing this way would be, well, if the people who pay catalog sales tax and Internet sales tax are the same people who pay the regular sales tax, why bother with all this? Let's just increase the sales tax rate. So one of my questions to Senator Landis is, are these the same people, or do the...do low-income people, for example, who need to make certain basic expenditures that might tend to be local, would they be less likely to be purchasers on the Internet and through catalog sales, or not? Or do we have any information on that? Is doing it one way or another, does it change the incidence of the tax, I guess is the question.

SENATOR LANDIS: I don't know of a study that makes that clear. Tax Administrator's rough guess is that populations that might use the Internet specifically are sophisticated consumers looking for high-ticket items, where retail sales tax would be significant--a large home entertainment theater, a lot of expensive electronics, computers being sold through the Internet--so a sophisticated buyer looking at a high-ticket item. Secondly, Internet use is pretty pervasive, but there is a distinction on the basis of education and affluence, ..

SENATOR CUDABACK: One minute.

SENATOR LANDIS: ...that it's higher use there than the other side of that polarity.

SENATOR BEUTLER: Okay. So...

SENATOR LANDIS: However, there probably is a use for the disabled and the elderly, with respect to the Internet, that also probably has to be factored in. But as to a particular study, I can't point to one.

SENATOR BEUTLER: To the extent...I mean, this whole thing seems like a more positive development if in fact what's happening over time is that those who are better able to pay the tax are