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February 10, 2003 LB 282

SENATOR CUDABACK: Thank you, Senator Janssen. Senator Landis, there are no further lights on. Do you wish to close on the advancement of LB 282? You may if you care to.

SENATOR LANDIS: Senator Cudaback, I'm sorry. Am I being recognized to close?

SENATOR CUDABACK: You are closing. Yes, sir.

SENATOR LANDIS: Okay. Your Revenue Committee, over the last ten years, has over and over again wrestled with this problem. Main street Nebraska retailer selling you a book charges you sales tax. Buy it by a mail order from someplace else and it doesn't have a sales tax. And who is prejudiced? Who is injured? The Nebraska merchant. Because we know where they are, because we can audit them, they collect the taxes, like good soldiers. And for somebody sophisticated enough to go someplace else, buy it by mail, buy it by Internet, that retailer doesn't. And that is the root cause of the problem. The root cause of the problem is the discrimination or prejudice in our current system against the front street, main street retailer in this state, who is competing with a catalog sale or with an Internet sale. And they fight with one hand tied behind their back, and that's the sales tax. Because it makes a five or a five and a half percent differentiation between buying in Nebraska and buying anywhere else, by the Internet or by mail. This bill gets at that root cause of problems. It's good for Nebraska business. It's why the Retail Federation came in, in favor of this bill, because they pay taxes and these other people don't. Now, let me change my word. They collect taxes, and these other people do not collect taxes, and thereby create a market distortion that prejudices our businesses. Understand that even though the streamline project hasn't been passed, eight major retailers have said, you know what, we'll comply. It's just in the offing, but already you have eight major Internet retailers saying, we will pay...we will collect the taxes from people doing business with us. It can only get better from there. The current system is discriminatory against the hometown team. And this is the only way out that I know of. We are losing millions in tax revenue, and that millions of lost