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SENATOR CUDABACK: Thank you, Senator Chambers. (Visitors introduced.) Senator Cunningham.

SENATOR CUNNINGHAM: Thank you, Senator Cudaback and members. I'd like to start off with where I left off. Before I was reading a letter that was sent to the grocery industry from a register seller in Nebraska. And I got kind of partially through it. Talked about there's var...a lot of different point of sales systems in Nebraska. And then he goes on to say that the processing of the transaction will be greatly slowed down as each item purchased with food stamps will require additional key strokes. It will not be possible to remove the tax at the end of the sale but will need to be done each item at a time. And it says most, if not all, stores will find it necessary to redo their balance sheets as this will create a completely new balancing total. We are looking at trying to remove the tax from individual items in a sale, not the entire transaction. As a result, in most cases, it will require cashier intervention. There are also some older systems in place that will not be able to handle the reporting at all. This is great news for me, but not so great for the grocers of this state as it will require many grocers to purchase complete new systems. If I can be of additional help, please call. Got some other information. This came from Pepsi Company, that the Pepsi-Cola products that are purchased in Nebraska, 21 percent of those products are purchased by people that live in a household income under 20,000 people (sic). Thirty-five percent is purchased with household incomes under \$30,000. Now we started talking and many people have asked me, well, can't you just program in your register how this is going to work, either taxable or nontaxable? And I called my store and they called our equipment maker this morning, and what I found out, if we take a dollar item that's taxable, that's food stampable. It wouldn't be tax.. it would be taxable under this bill, I guess, a dollar item. And then we took the food stamp, it would end up showing at the end that six cents was due. Now we can't collect that six cents tax from the person using the food stamps, so we'd have to either eat it ourself. But the reality is, we could have corrected that if we knew ahead of time they were going to use food stamps, but the reality is you don't know ahead of time they're going to use food stamps. So it creates a very, very major problem. In