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

March 14, 2005 LB 563

under 6 percent. You know, it's important that Nebraska adopt the federal standards adopted by the TTB that would clarify the industry's standard relating to production, composition, and taxation, labeling and advertising of flavored malt beverages. The final rule was issued, let's see, it was issued by the TTB clarifying these standards at the urging of the beer industry. producers of flavored malt beverages, consumers, members of Congress, and other elected officials, and state regulatory agencies. The state regulatory agencies have stated that the federal uniform definition of beer and malt beverages would help them do their jobs, so that ruling has come down now and, in order for the Liquor Commission to set their rules and regulations, we need the legislation changed. You know, we talk about the content of alcohol in other products. Senator Combs just told me that NyQuil, I think that's a cough syrup, contains 10 percent alcohol by volume, almost 10 percent. Yeah, I don't know of anybody who runs around chugging down NyQuil, but it's available. Alcohol, in a can of Coca-Cola you've got a certain percentage of alcohol to keep it from spoiling. What we're asking you to do here today, first of all, we need to defeat the Chambers amendment and allow the Liquor Commission to classify this as a beer, and if it's a beer, in my opinion, it doesn't make any difference where that alcohol comes from as long as the volume of alcohol is under 6 percent. If the Chambers amendment would pass, I'll guarantee you that you wouldn't be selling much of this in this state because the states surrounding us, all of them, have lower taxes on beer, hard liquor, wine, so on, forth. And we've seen the effects of what happens on tobacco. I remember sitting in the Revenue Committee, I think that was last year, and when we were talking about taxation on cigarettes and there was a wholesaler there that had his records and he showed them to us. When Nebraska raised the tax on their cigarettes, he sold both in Iowa and in Nebraska, and his sales in Nebraska went down 40 percent and the stores in Iowa rose 40 percent. People are going to buy these products where they cost them the least money.

SENATOR CUDABACK: One minute.

SENATOR JANSSEN: And as far as these full-flavored malt beverages, they're very expensive right now. They're...you