

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB762

Hearing Date: February 07, 2008

Committee On: Revenue

Introducer(s): (Avery)

Title: Create a sales tax holiday for school-related purchases

Roll Call Vote - Final Committee Action:

Indefinitely Postponed

Vote Results:

6 Yes	Senators Burling, Dierks, Janssen, Preister, Raikes and White
0 No	
2 Absent	Senators Cornett and Langemeier
0 Present, not voting	

Proponents:

Senator Bill Avery
Jim Otto

Representing:

Introducer
Nebraska Retail Federation

Opponents:

None

Representing:

Neutral:

Jeremy P. Murphy

Representing:

Nebraska Catholic Conference

Summary of purpose and/or change:

LB 762 would have provided for a sales tax holiday from the first Friday in August through the following Sunday. The sales of these listed items would have been exempt from sales tax: a) clothing with a sales price of \$100 or less; b) school supplies with a price of \$100 or less; and c) computers with a price of \$1,500 or less. The holiday did not apply to clothing accessories, software, sport or recreational equipment, art supplies, instructional material, business purchases, or any rentals. The retailer was to report the amount of tax exempt sales made on the usual sales tax return.

LB 762 contained a number of conditions, calculations, or qualifications that conformed to the requirements of the Streamlined Sales and Use Tax Agreement. The purchase qualified even if the good is placed on layaway so long as it was selected and paid for during the holiday. Discounts and store coupons could be subtracted to allow the products to qualify for the price thresholds. Products, like shoes, that are usually sold as a unit remained so for purposes of the price thresholds. Purchases using a rain check could have qualified. A product purchased that qualified for the holiday could be exchanged for another outside the holiday and the exchange would still qualify.

Delivery charges were to be part of the sales price, but if the delivery charges included both items within the holiday and those that weren't, the delivery charges were to be allocated on price or weight. An item purchased and paid for during the holiday qualified, even if it was delivered later. If an item that would be eligible for the holiday was returned to a store within 60 days of the end of the holiday, the refund or credit could not include sales tax unless the customer had a receipt showing that tax was paid.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson