

occur in revenue. As you all are well aware, we have a variety of bills introduced from time to time, again as we do this year, increasing the cigarette tax, but usually for some specific purpose. This was introduced on my part to ensure some funds to be available to avoid some of the cuts that might otherwise be necessary of the approximately 25 million on an annualized basis that the Revenue Committee has advanced in a number of bills, together with some other bills to provide additional revenue for such things as the P2 items that we discussed from time to time, and the other bills, it becomes an integral part of that because it's roughly a fourth of the funds that we are talking about in total. Secondly, of course, as we have been working our way through these bills and some revenue not being approved on various bills, those items that are left become even more significant. We lost some yesterday, not a great amount, on §15, there was a loss of revenue, on an annual basis, that wouldn't affect us until two years from now. But that is some estimated 21 million, which becomes significant when you're looking at the budget problems that the state may need to deal with beyond the biennium that we are in. The arguments, obviously, that one wants to look at when increasing the cigarette tax, you know, what is a reasonable level. It's true that we periodically increased the cigarette tax over the years and have not increased it significantly for a period, I don't have right here in my hand the last time it was adjusted, but periodically it is adjusted. The one argument that one, I think, needs to consider on these is what impact on border areas and the competition that Nebraska would have, or those who are selling cigarettes would have in adjoining states and the possibility of purchases being made out of state, with a tax that's always a concern. If we go to 32 cents, of all the surrounding states, we will be the high...highest of our surrounding states, with the exception of Iowa which is at 36 cents. But Wyoming, South Dakota, Colorado, Kansas, Missouri would all be lower than the Nebraska tax, and that certainly is a concern. However, I believe that, under the circumstances, that it is one of the options that ought to be utilized this session to help fill the gap. I should say that I introduced this bill solely for going to the General Fund and will resist any amendments that would designate additional funds for the cigarette tax for other purposes, or increased amount. It's my opinion this 5 cents probably was...was doable, perhaps is the way to put it, and the higher that number gets why the more difficult it will be. As I indicated, the next bill that will follow, however, does include an additional 2 cents, but it will