

SENATOR CULLAN: Mr. Chairman and members of the Legislature. I move that LB 374 as amended be advanced to E & R for En-grossment.

PRESIDENT: Discussion? All in favor say aye, contrary say nay. The bill is advanced.

SENATOR CULLAN: Mr. Chairman and members of the Legislature. I move that the E & R amendments to LB 332 be adopted.

PRESIDENT: Discussion? All in favor say aye, contrary say nay. They are adopted.

SENATOR CULLAN: Mr. Chairman and members of the Legislature. I move that LB 332 as amended be advanced to E & R for En-grossment.

PRESIDENT: Discussion? All in favor say aye, contrary say nay. It's advanced. Thank you, Senator Cullan. We go to Item 9 on your agenda now, motions. Under A, it's Senator Rumery's motion, to place LB 241 on General File notwith-standing the action of the committee.

SENATOR RUMERY: Mr. President and members of the Legislature. I introduced Legislative Bill No. 241 and these are the reasons that I did so. The following constitutes the intent and the introduction of Legislative Bill 241 and the purposes to be accomplished thereby: LB 241 is an act intended to provide an exemption to any increase in the sales tax rate which would be applicable solely to construction projects upon which bids were left based upon the old sales tax rate. Specifically, the act would provide that any increase in the sales tax rate would not affect any project of new construction, reconstruction, alteration, or improvement of any building which was commenced prior to the increase of sales tax and on which bids for work were left out based on the old rate. In this instance and only in this instance the old tax rate shall apply. In bidding for construction projects, it is the common practice to include in that bid the estimated sales tax which is to be applied to materials purchased for construction purposes. In the event that between the time a bid is prepared and construction materials are purchased, the sales tax is increased, then the bidder is faced with having to absorb the loss caused by such action and it is the intent and the purpose of this bill to provide a specific exemption to any increase in the sales tax in order to alleviate this situation. The exemption is applicable on only those construction projects which were bid prior to an increase in the sales tax. Mr. President and members of the Legislature, this is an important piece of legislation that we would like to see enacted. I know people personally who have been harmed by the lack of this provision in the law and we are talking in here now about setting the sales tax rate, whether it's set by the legis-lators or whether it's set by the Board of Equalization makes little difference as long as there's been a change made in the sales tax. When projects involved millions of dollars, a ½% increase in sales tax really works to the disadvantage of the contractor. We have to keep in mind that the contractors employ a lot of people in this state. The least we can do is to be sure that state government does not stand in the way of this free enterprise that we think is really important. But when the government of the state