

April 8, 1994

LB 1087

SENATOR LINDSAY: What's the...George, what's the fiscal impact of this?

SENATOR COORDSEN: The fiscal impact of this is about \$2.5 million of money that's never been collected because the Department of Revenue did not enforce this until the Legislature acted one way or the other this year. If the Legislature declines to enact 1087, then the estimate of the sales tax collection on installation labor would be about \$2.5 million. But this money, this tax has not been collected as of today, not...at least not required to have been collected.

SENATOR LINDSAY: So it's...basically we're talking about if the bill passes we'll lose \$2.7 million a year in revenue?

SEN. TOR COORDSEN: We will lose two point...well, I had five, but...

SENATOR LINDSAY: Two point five, yeah.

SENATOR COORDSEN: ...whatever the figure is in projected revenue,...

SENATOR LINDSAY: And we will...

SENATOR COORDSEN: ...revenue that's never been collected.

SENATOR LINDSAY: But the law is right now that it's kind of like sentences that haven't been imposed yet sort of a thing.

SENATOR COORDSEN: Um-huh.

SENATOR LINDSAY: All right, thank you, Senator Coordsen. I think it's pretty clear where I'm going. This kind of situation has come up in the past and our policy is doesn't matter how we got there, the question is, can we afford to lose this revenue? Is the policy a good policy? Question is, do we want to be shrinking our sales tax base? Can we afford in this year, when we're talking about cutting off money for developmentally disabled, and cutting down money for teachers, and trying to come up with money to fund a fertilizer tax repeal, and doing all this other stuff, can we afford the loss of \$2.6 million? That's the issue we've got to look at. That's the issue we've got to look at. Is it wise for us to be...to be shrinking our