

January 30, 1979

LB 192

the statute and I would defer to Senator Warner if I may, Senator Nichol.

SENATOR NICHOL: All right. Then, Senator Warner, why the differentiation between the University of Nebraska, State Colleges and the technical colleges? Why shouldn't they enjoy the same exemption as the University and the four State Colleges.

SENATOR WARNER: Senator Nichol, maybe I should explain what 192 does...

SENATOR NICHOL: Yes, would you please?

SENATOR WARNER: ...because the community colleges were not a part of the issue and they thought they might be included the way the language was and the amendment made that clear. The practice has been under the sales income tax law that in the case of the University or the State Colleges or the Department of Education, either, when they had a capital construction project, a building, either they at the time the contractor purchased the various supplies for the building, material, either it was done with an exempt certificate at that time that was supplied by the institution which in turn the builder used or there is a separate section where after the project is completed that the institution files with the Department of Revenue for a refund up to 60% of the total cost of the building. What has occurred occasionally, we put prohibitive language in last year's appropriation bill, what has occurred is that the institution when the building was completed filed for their refund as permitted by law, and when that money came back, it was treated as a cash fund and it could be used or go for many purposes. The purpose of the bill is to be sure that if a building was built with general fund money and any refund that is going to be coming back is deposited back to the general fund because obviously we appropriate money on the basis for the construction of the building and the building only. And it is to prohibit that additional money coming back to use for some other purpose and that is all it is. It is to clarify something or prohibit something, I guess, that has occurred from time to time and would only apply to the State Colleges and University of Nebraska and the Department of Education. The other agencies of state government that go through the State Purchasing Agent normally, that situation wouldn't arise but it can with those independent agencies.

SENATOR NICHOL: Thank you. Then as I understand it, Senator