

January 13, 1982

LB 278

a farmer goes out and buys a combine and signs a contract, well he certainly does have to pay that sales tax, but I think this is a little bit different. These contractors bid many months in advance. On the large contracts construction runs for many months, many months, and sometimes several years. And so I think that they should have some way to protect themselves. If we don't give this protection to them, they are going to add a little to that original contract and it is going to cost the consumer a little more money. Therefore, I would hope that you would vote to not indefinitely postpone this bill.

SENATOR NICHOL: Senator Vickers.

SENATOR VICKERS: Mr. President and members, I rise to support Senator Warner in his motion to IPP LB 278. Here we go again, down the same path making exemptions in the sales tax and guess who is going to have to pick up the difference. We all know that we are under some very severe financial restraints in this Legislature and this state, so when we start giving specific exemptions to specific individuals or specific businesses, no matter how noble those exemptions are, I think we all need to recognize that the average citizen of this state is going to have to make up that difference. Now I don't see where there is any problem with a contractor building into his contract, into his bid, the language that if the sales tax is increased, that that increase then is passed on to the other party involved in the contract. I don't see any problem with that at all. There are those types of things built into a lot of contracts. So it seems to me that this body should be very careful before we grant these types of exemptions, or as Senator Warner indicated to you, I am sure there could be good cases made for all kinds of exemptions. You know, I recognize that the contractors of this state are in a situation right now where they are fighting some very severe financial difficulties but they are not the only ones. They are not the only ones, ladies and gentlemen. As an individual that has got an operating note coming up here pretty quick, I am going to have to borrow the money to pay the interest on it. I think agriculture is facing that same sort of problem, so it is not just the people out back of those glass doors that are representing specific contracting groups that are facing this problem but those of us that attempt to represent the agriculture in this body are also representing a large group that is facing a large severe financial problem. And as Senator Warner pointed out, agriculture pays their share of sales taxes too. If you don't believe it, go buy an \$80,000 or \$100,000 combine. I urge the body's approval