

Mr. President.

SPEAKER BARRETT: The committee amendments are adopted. To the bill, Senator Lindsay, will you handle?

SENATOR LINDSAY: Thank you, Mr. President, members of the body, LB 705 which I have introduced along with Senator Hall would exempt purchases of art, fine art, by nonprofit fine art museums from the Nebraska state sales tax, excuse me, sales and use tax. Currently, Nebraska is the only state in the country that imposes a sales tax on these types of purchases. Other states have recognized the value of fine arts to their states and have exempted those particular institutions from the payment for that type of art. This bill is a narrowly defined bill. It applies, with this definition, it applies to the Joslyn Art Museum in Omaha and the Sheldon Art Gallery here in Lincoln. For the record, the Sheldon Gallery I believe is already exempt because of its state ownership. The purpose of the bill, or what I guess the reason the bill was brought deals with Joslyn having purchased a collection of art work. I'll give you a little background on that. That collection was purchased from the Enron Foundation, I believe. At the time Enron left Omaha and moved down to Houston, they asked that that collection which had been displayed at Joslyn for several years be either purchased or the foundation would sell it. Joslyn chose to purchase one of the two collections, arts collections, that being what is known as the Miller collection and has started to make payments on that. It is intended to be paid for over a five-year period. The first of the four payments including sales tax has already been paid by Joslyn. This bill would exempt those final four installments from the purchase, or those final four installments from the sales tax. The cost on that to the state would be over the course of the entire four installments would be approximately \$200,000. With the exception of this particular purchase of art by Joslyn, Joslyn has not made a great deal of other expenditures. It is not going to have an enormous fiscal impact on the state with that exception. Over the other years, for example, Joslyn spent about \$150,000 for art purchases in 1988. That was their total expenditure. And expects to spend in 1989 approximately \$60,000. So with that exception of that one collection we are not talking about an enormous fiscal impact. It is, of course, important, the fine arts are important to the State of Nebraska and not just to the Omaha area. Joslyn, as I'm sure many of you are aware, does have programs which extend throughout the state. The outward bound