

SENATOR WILL: Thank you, Mr. Speaker, members of the body. I rise to support the advancement of LB 727. I thought I'd give a little background as to how this issue developed. In 1983, I believe it was, the Department of Revenue, under the Kerrey administration, brought the Revenue Committee a cleanup bill that was a very long cleanup bill, a couple hundred pages, if I recall correctly. And one of the issues that was addressed in that cleanup bill was that of sales tax charged on auctioneers, when auctioneers were involved in the sale of farm machinery, household goods, whatever. The law was unclear, at that point, as to whether auctioneers should be subject to collecting the sales tax from the people that they sell the materials to at auctions. And the Kerrey administration took the position that those should be subject to sale, and so the Revenue Committee saw fit to include language in our sales tax statutes stating that sales that are assisted by third parties would be subject to the sales tax. And the third party language was intended to address auctioneers and auctioneers only, as I recall the discussion in committee. What's happened is that the Department of Revenue is always searching for new and novel ways to collect revenue, and they stumbled on one here. As they read the statutes, within the last couple years, they've said, look, we have third party language, and this could apply to any third party, not just an auctioneer, this could apply to a sale in which a lawyer is involved, to a sale in which a broker is involved. And that led them to charge sales tax to the particular company that Senator Hillman has mentioned. And it's clear to me, from the discussion that occurred in 1983 and when we talked about that provision then, that this was never intended to apply to situations such as that, that Senator Hillman has encountered in her district. And LB 727 would clarify that, indeed, it does not apply to those situations. Auctioneers would remain taxable. As I understand it under the committee amendment to LB 727 we return the situation to that, that the Revenue Committee and the Legislature thought we were arriving at back in 1983. And, with that, I would support the advancement of LB 727.

SPEAKER BAACK: Thank you, Senator Will. Next speaker is Senator Nelson.

SENATOR NELSON: Mr. Speaker, I will also be supporting Senator Hillman's bill. However, there is another situation that I've run into, and I don't think this is necessarily the time, I