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FLOOR DEBATE

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followed by Senators Beutler, Vrtiska, Schrock and Baker.
Senator Brashear.

SENATOR BRASHEAR: Thank you, Mr. President, members of the body. I want to rise in support of this pending amendment to the floor amendment. This is a technical amendment. It does all that Senator Landis has indicated that it does. These are all necessary adjustments in language. This has been...was developed by Senator Landis and Revenue Committee staff in consultation with the Department of Revenue, and I want to be clear about urging its adoption. But having the better portion of five minutes, as I do, I also would like to continue to discuss this division of the committee amendment as it has been divided. And I had been discussing candy and soft drinks as being an exemption from the definition of food, and I'd like to pick it up there. I had explained that we could have done more. We could raise more revenue. We could include more items but for our participation in, and that isn't meant as a pejorative comment, but for our participation in the streamline project. At this point in order to retain compliance with the streamline project, we must define all other food products, including potato chips, donuts, caviar, and so forth, as I indicated, as within the food exemption. I am told there may be some sentiment within the streamline project to allow for greater flexibility within the food exceptions. If that takes place, then we would be able to broaden this exception. Until that time, participation in the streamline project is probably more valuable in the long run than the additional revenue we would gain from taxing more of the snack foods. So I've chosen to limit the definition. With regard to repair labor, examination of the tax bases of surrounding states indicates that imposing a sales tax on repair labor makes sense. The impact of last year's LB 1085, however, provides an even stronger reason why adding this tax is a good...is a part of good tax policy. Last year's bill imposed taxes on installation labor and building maintenance services. Since repair was not included, the result has been some very peculiar regulatory outcomes and very fine distinctions that are...frankly just make no sense and are unnecessary. This amendment would eliminate that particular anomaly and ambiguity. About half of the additional revenue from this change is from repairs to motor vehicles. Let's treat