

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

May 7, 2003

LB 287

but is there any opportunity for me to recapture that or apply for a refund on that labor...

SENATOR LANDIS: Yes.

SENATOR STUTHMAN: ...if I only put that on my tax schedule as a 100 percent deductible expense and not put it on my depreciation?

SENATOR LANDIS: The current rule is you may not do that for parts unless you capitalize. If you capitalize, you get a refund. If you don't capitalize, you don't get a refund, but you get to treat it as an expense. This says we're going to treat labor and parts identically in that setting.

SENATOR STUTHMAN: And that treating it that way will be identical to what we have been doing in the past.

SENATOR LANDIS: With respect to the treatment of parts in agricultural machinery.

SENATOR STUTHMAN: Yes, so then a significant repair, like Senator Raikes says, if you put an engine in a tractor or something, it'd be four or five thousand dollars, and you depreciate that portion of that expense on your depreciation schedule as a motor to that piece of equipment, then you could go for the refund of both.

SENATOR LANDIS: Of both, exactly.

SENATOR STUTHMAN: Okay. That is what I wanted to get on the record and get clarified so that people, you know, didn't misunderstand it. So realistically, the way I understand this is that the only difference is that there's going to be the sales tax on labor and it's going to be treated as it has been in the past with whatever the part...how the part was treated. So thank you.

SENATOR CUDABACK: Thank you, Senator Stuthman. We're discussing AM1710, Revenue Committee. Senator Landis, followed by Senator Beutler and eight others. Senator Landis. Senator