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FLOOR DEBATE

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LB 287

local option tax; in '05, \$4.6 million; and in '06, \$4.7 million; and in '07, \$4.9 million. I believe that's one of the concerns, that's shared by many of us that live in rural areas, is that that additional tax is placed on us when we have our repairs done in our local communities that charge that additional option tax. Those taxes are used to lower their property taxes and, of course, has no effect, on ours. I did want to ask Senator Landis a question. I...

SENATOR CUDABACK: Senator Landis, are you available?

SENATOR STUHR: There is some confusion on what we passed last year and what we are looking at this year. I received a call from one of my constituents yesterday that was charged labor on two windows that were replaced. Now I thought maybe we were dealing with that issue this year. Can you address that?

SENATOR LANDIS: What we did last year was installation labor. If they installed windows in a house, installation labor probably was implicated and it was taxable. What we're talking about in this bill is tangible personal property, movable property not real estate. So, for example, the window air conditioner that Senator Raikes asked about is tangible personal property; the central air conditioning is probably not. So what does this mean? It means your stereos repairs would be taxed, your car repairs would be taxed, your movable personal property would be taxed for its repairs under this bill. Last year we did installation. And remember, that if you were talking about windows, you were talking about a permanent part of real estate.

SENATOR STUHR: Okay.

SENATOR LANDIS: This bill has to do with tangible personal property, which is movable property and not real estate. Plumbing, for example, is not implicated in this bill, but it would have been implicated in last year's bill.

SENATOR STUHR: Okay. Thank you. And are there exemptions...

SENATOR CUDABACK: One minute.