

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

May 15, 2003

LB 759

accommodate that for these services that were added to the tax rolls last year. This does not repeal the tax on those services. It merely brings about a fairer policy. So I encourage the adoption of AM1770 and would welcome your questions, if you have any. Thank you.

SENATOR ENGEL: Thank you, Senator Smith. Senator Connealy.

SENATOR CONNEALY: Thank you, Mr. President and members. I rise in opposition to this amendment. This is something that we added to tax. We added this service, but it's not outside. Other normal businesses do get taxed on things that they have. If you are at a law office, all your products that go into that are taxed. If you have a grocery store, the cleaning supplies that are a part of keeping that facility clean are taxed. Most products that are used by business that aren't then resold are taxed. If we take out all of these that are what could be called a double tax because you're being taxed on your end product, we took out all of these, it could be up to \$300 million in lost revenue. Now this amendment won't be very much because it's just one specific part of what we tax in services, but I think...the Revenue Committee thinks that this is a normal part of what we do in taxation, that this isn't the abnormal. Businesses pay tax on inputs that aren't resold and so, as vice chair of the Revenue Committee, I stand in opposition to this amendment.

SENATOR CUDABACK PRESIDING

SENATOR CUDABACK: Thank you, Senator Connealy. Senator Janssen.

SENATOR JANSSEN: Thank you, Senator Cudaback. Members of the Legislature, Senator Connealy touched upon what I was going to talk about. In any business, any retail business, you have products that contribute to the end product of what you're selling, even though that product might not be taxable in its finished product. But it is part of your business that is taxable in order to finish...to get the end of that finished product. No, I don't think that's right, Senator Smith, but that's the way it is. I mean shelving, there's paper, plastic,