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SENATOR CUDABACK: Senator Bourne.

SENATOR CHAMBERS: That's why I'm asking you, because I saw you here. When we say sales and use taxes shall not be imposed on the gross receipts, this means that we're not talking about only what these operations purchase, but also what they sell, what they lease, and what they store, and so forth.

SENATOR BOURNE: Right.

SENATOR CHAMBERS: So we could be talking about full-fledged business activities that operate in competition with private entrepreneurs doing the same things, but who must pay the sales and use taxes. Is that true?

SENATOR BOURNE: Well, it is, and if I can give an example of what I...

SENATOR CHAMBERS: Sure.

SENATOR BOURNE: ...what I think this would apply to. Say a religious entity or institution had on their premises like a thrift store, where they would sell used clothing, used toys, things of that nature. Well, currently, as I read the statute, they would not have to pay any sales tax on the sales of those thrift items through their store, and I think your amendment would then change that.

SENATOR CHAMBERS: Now, if we want to go a step further, they could operate a used car lot.

SENATOR BOURNE: Absolutely could.

SENATOR CHAMBERS: And they wouldn't have to...there would be no sales tax involved.

SENATOR BOURNE: Correct.

SENATOR CHAMBERS: They could rent space for...they could open these storage operations where they have a series of bins or little sheds and operate that business and not be subject to the