



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 576

Hearing Date: March 2, 2005

Committee On: Revenue

Introducer(s): (Redfield, Mines)

Title: Decrease the sales tax rate and tax certain services

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

6	Yes	Senators Baker, Cornett, Janssen, Landis, Preister and Raikes
0	No	
0	Present, not voting	
2	Absent	Senators Connealy and Redfield

Proponents:

Tanya Borjes-Hayes, Legislative Aide
Mark Intermill
Jim Griess

Representing:

Senator Pam Redfield, Introducer
AARP Nebraska
Nebraska State Education Association

Opponents:

Larry Ruth

Representing:

American Express Travel Related Services, Ash Grove Cement Co., Chief Industries, Duncan Aviation, eBay, Eastern NE Devel. Council, First Data Corp., Lamar Advertising, Lincoln Airport Auth., MDS Pharma Serv., NE Assn. of Airport Officials, NE Collectors, NE Court Reporters, NE Machinery, NE Press Assn., NE Soc. of Independent Accountants, NE State Bar Assn. Assn. of Indep. Colleges & Universities of NE NE Chamber, Omaha Chamber of Commerce Nebraska Catholic Conference NE Society of CPAs, NE State Home Builders Association & Intralot Omaha Airport Authority Nebraska Hospital Association NFIB, NE Bankers, & Friends of NE Nonprofit Hospitals

Thomas O'Neill
Ron Sedlacek
James Cunningham
Justin Brady

Joe Kohout
Roger Keetle
Bob Hallstrom

Mike Hybl
Tim Keigher
Scot Thompson
Tom Haug
Henry Cerny

Nebraska Trucking Association
NE Petroleum Marketers & Conven. Store Assn.
C & A Industries & American Staffing Assn.
Himself
NE Veterinary Medical Assn.

Neutral:
None

Representing:

Summary of purpose and/or changes:

LB 576 would have greatly expanded the sales tax base and reduced the rate to 3.75 percent. Section 77-2703 would have been changed to make the assessment of the tax generally applicable to sales of both goods and services. As a result, many specific inclusions of services into the base were struck by the bill. Also, twenty-one sections of sales tax exemptions were repealed outright and a new exemption added for the provision of health care services. Final consumption of goods and services were generally taxable except for food and health care. Business purchases that do not go into the final product of the business were also subject to the sales tax.

Explanation of amendments, if any:

Senator David Landis, Chairperson