

March 3, 1980

LB 616

I move for the adoption of the committee amendment. The committee amendment that was adopted clarifies that in the event that the aircraft is destroyed to which such an election is applicable, no deduction, credit or refund of use tax shall be allowed. This is in the event of a fire or a tremendous storm or something that destroys the aircraft, that then disqualifies it for a tax exemption. I move for the adoption.

SPEAKER MARVEL: The motion is the adoption of the committee amendments to LB 616. All those in favor vote aye, opposed no. Have you all voted? Record.

CLERK: 25 ayes, 0 nays on the adoption of the committee amendments, Mr. President.

SPEAKER MARVEL: The motion is carried. The committee amendments are adopted. Senator Carsten, what will we do with the bill?

SENATOR CARSTEN: Now, Mr. President, I move that LB 616 be advanced to E & R Initial as amended. LB 616 provides that an aircraft retailer may elect a sales and use tax option. If an aircraft is taken out of inventory by the dealer for other than demonstration purposes and the dealer provides the pilot, then in lieu of being liable for the use tax measured against the aircraft's purchase price, the dealer may elect to pay a use tax measured upon the total gross receipts realized by the dealer from the use of that aircraft. As under present law, when the dealer eventually resells the aircraft, the sales tax will be applied against the purchase price paid by that buyer. What is happening as I understand, the tax is sometimes asked twice and this is a correction and a clarification, and where the committee was confused to some degree on the bill, we did ask the Revenue Department to come in and clarify it, and what this then would do, the sales tax would be applied as to the option as the dealer would choose taking these uses and display for resale purposes into consideration. That basically is the bill.

SPEAKER MARVEL: Senator Johnson, do you wish to be recognized on the bill?

SENATOR JOHNSON: Yes, I do, Mr. Speaker, members of the body, I rise in opposition to this bill and, of course, I am somewhat reluctant to do so inasmuch as the committee