

LB 273 was introduced by the Department of Revenue, one of the things that that bill did is that that bill imposed for the first time a sales tax on interstate telephone services. The Revenue Committee decided after hearing from the phone companies and others interested in interstate telephone services that given this state's commitment, given this state's commitment to the development of the telecommunications industry, the imposition of the sales tax on this item would not be proper. As a result, we took out of LB 273, we took out of it, the proposed sales tax on interstate telephone services. Now LB 715 contained a sales tax on the installation of certain kinds of telephone equipment. The Revenue Committee essentially overlooked the question as to whether or not the taxation of the sales tax for installation of certain kinds of equipment was keeping with our earlier move. In the meantime, Governor Kerrey had thought through the issue and decided that this was an item that we probably ought not to tax, given our basic commitment to the development of the telecommunications industry. We spent quite a bit of time working on language to make certain that the tax would not be imposed on the installation of telecommunications equipment. We ended up concluding that the language was very difficult to draft so we simply have an amendment which continues the exemption of this item from taxation. This is an amendment that has been agreed to by the Department of Revenue, by the Governor's Office, and by the industry, and I recommend its adoption.

SPEAKER NICHOL: Senator Haberman, please. Is Senator Haberman around please? Senator Haberman, I understand you are in the Rotunda. All right, any other discussion on the Vard Johnson amendment? Okay, if not, the question is the adoption of the Vard Johnson amendment. All those in favor vote aye, opposed nay. Please vote. We are voting on the adoption of the Vard Johnson amendment. Record please.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of Senator Vard Johnson's amendment to the bill.

SPEAKER NICHOL: The Vard Johnson amendment is adopted. Anything else on it?

CLERK: Mr. President, Senator Conway would move to amend. Senator Conway's amendment is on page 2040 of the Journal.

SPEAKER NICHOL: Senator Conway, please.