

we made two amendments to this bill. We had about a 50-page bill in a green copy and we just read a 258-page bill and Senator Johnson, Chairman of the Revenue Committee, made these amendments and said that they would be good things for us and they did pass out a handout and you all got them about seven or eight o'clock at night saying what the amendments did. One thing, of course, dealt with the Bingo, Pickle, Lottery Acts and the taxes thereto, but the other amendment had to do with taxes on installation in connection and furnishing the tangible personal property associated with the provision of public service utilities. If you were of a mind, you could look at page 184 and 185 of the bill, but what I need to tell you is what this bill is doing is expanding our sales tax on services and the reason why I took a particular interest in it is because I found out it is expanding the sales tax on services for installation of all the things we hook up to houses and all the things we hook up to commercial buildings such as water lines, sewer lines, gas lines, telephone lines, cable television lines. This is true on residential services and on commercial services and the fiscal impact is \$2.2 million. That's \$2.2 million it is going to raise taxes over and above the taxes that are already paid on the materials to put these facilities in. I obviously can't support this bill. Last year we had a bill called LB 715. Among other things LB 715 moved to invoke sales tax on utilities, on businesses and commercial installations and I supported that bill. It had a specific provision in there that moved to have sales tax on services on utilities on construction, specifically on construction because it exempted manufacturing and processing types of operations. Construction is historically talked about in terms as manufacturing and processing, indeed it is done on economic terms all over the world. But I supported the bill because I felt we had two alternatives and to try to be consistent we either have a sales tax on utilities on residences, on consumers, which we do, or we don't. We either tax one, we either tax them both or we tax neither and we've been taxing the consumer and we were not taxing the businesses and I felt, at least to be consistent, we had to do that and we could not afford the \$40 million drop in sales tax on utilities if we took it off of the residential consumer, but this is different. This is just a flat out expansion of sales tax on services. This is taxing the service over and above the materials that go into putting these lines in. I don't have firm figures because I didn't come up with these things until this morning, but I can tell you that it runs an average of 2 to 3 thousand dollars a house to hook up these lines. I'm in the midst of some commercial construction,