

February 27, 1992 LB 1120

that some of our neighboring states do have a tax on some services and some states have quite a little of sales tax on services. So I think we need to get started doing that because we have become a state of a lot of services, and so why not add some sales tax onto that? And I understand that the reason that we need this is to raise approximately \$40 million that we approved in an amendment a little while ago and that's for farm equipment, 16 to 20 million farm equipment and 18 to 20 million in business equipment. And I think this is good that we remove the sales tax on these two items because most of the states around us don't have sales tax on farm machinery and some don't have it on business equipment, so I think this would be in line of what we want to accomplish. I feel that sales tax on farm machinery is very detrimental because it causes a lot of border bleeding. The implement dealers, I know at least in northeast Nebraska, are having a hard time competing with those in Iowa and South Dakota, so this would help that. Also, we would add in this amendment, we would put back the sales tax on limited services that was in the original Hall bill, LB 1120, and then we would also add some other sales tax on services. So I think this is perhaps a good compromise, a good way to go, and I certainly support the Schellpeper amendment as divided. Thank you.

SPEAKER BAACK: Thank you, Senator Hefner. Senator Hartnett, you're next.

SENATOR HARTNETT: Mr. Speaker, members of the body, I guess I rise as Senator Hall is, that if you voted for the other amendment to take...give the \$40 million exemption, you should vote for this one. You need to vote for this amendment because I think that that's the thing that's good tax policy. I think also at the end if we...if the bill advances and it's approved and we get the constitutional amendment passed and so forth, I really believe we're going to go back to MAPCO, so the voters out there will simply look at this as a new tax, Legislature can't be trusted again, so new tax, and so I urge the people that voted, 25 people that voted before, to continue to vote for the sales tax on service because I think that you have decided, the 24 or 25, that that's a good tax policy. And we will be back. The courts will, the people will speak eventually. I'd like to give the rest of my time to Senator Kristensen.

SPEAKER BAACK: Senator Kristensen.