

real problems. As an example, in a plant in Omaha, I've heard the anecdote that if a conveyor belt is brought into a plant and set down whole, there is sales tax on the conveyor belt but there is no sales tax on the task of bringing it in and setting it down. You do the same thing with the second one. There is tax on the product but there is no sales tax on the installation. If you bring a third one and set it between the two, you are then fabricating a conveyor system and you're supposed to charge sales tax, not just on the install...on the product itself, the materials, but you are expected to charge sales tax on the installation labor. What are we proposing to do to correct this? We are proposing to change two questions that are asked, or change a question that is asked. Instead of determining is it, in fact, a sales tax on...is it, in fact, real or personal because that is such a nebulous area, we get into the question of whether it's annexed or nonannexed. If it's annexed, same thing applies that currently applies to real property. There's a sales tax on the materials. There's no sales tax on the labor, even if it is fabricated or assembled. On the other hand, if it's nonannexed property, which would be a lot of manufacturing equipment that's brought in and sat down in a plant, if you are fabricating, assembling or installing, there is, in fact, sales tax on the labor and on the materials. If there is no...if it is, again, nonannexed, there's still no sales tax on the repair. What we think will happen, and it's been very difficult getting a fiscal analyst...a fiscal analysis of this because a lot of this isn't being collected now, a lot of it's a matter of definition, a lot of the tax that's owed is only picked up after the fact through audits. But we think that on annexed property that there will be, in fact, less tax probably collected than there may have been otherwise, but on nonannexed property, because we are now charging sales tax on the installation of nonannexed property, that there will be more collected. It's not a matter of trying to give a tax break, in other words, to anyone, it's a matter of trying to get a better definition so the people that have the contracts to do the work and the owners of the property that are contracting for the work will have a better dividing line, a brighter line test of when sales tax is to be collected and when it isn't. It's a complicated question. I understand that. I would be happy to respond to any questions that anyone may have. That is what the committee amendment would do. In essence, it makes the bill whole of what was the original intent of the introduction but we didn't get it drafted properly to do that.