

"installation" labor on nonannexed property is what caused the problem. I don't really think...I don't think it was a mistake, and I don't necessarily think it was an incorrect interpretation by the Department of Revenue, it was just unintended consequences down the road. When the Department of Revenue got about the process of implementing it we found out that it went much, much further than we'd intended, into things like installation of radios into automobiles...

PRESIDENT ROBAK: One minute.

SPEAKER WITHEM: ...and other items like that. For that reason, we came back in with a bill, and I'm a cosponsor of the bill, Senator Coordsen is the lead sponsor, to alter that sales tax imposition on the installation of nonannexed property because it had consequences beyond those what we did have. I do not feel that it's going to be a fiscal impact particularly because I don't think the state gave up any revenue by repealing the portion on fabrication and assembly of annexed property, because I don't think there was any revenue being collected at that time. So I do not...I know in our green sheet we have to put down some numbers, and those are, I think, in this case, is very much guesses, and so I don't think the fiscal impact, when we look at the way the budget actually balanced out I don't think you're going to see \$2.9 million less collected because of the juxtapositions of LB 345 and 1087. So I'd urge you to reject the bracket motion and to continue to advance LB 1087.

PRESIDENT ROBAK: Thank you, Senator. Senator Warner.

SENATOR WARNER: Madam President, members of the Legislature, I'd urge to oppose the bracket motion and discuss the issue. And you certainly can discuss the issue as a matter of policy, which there's no problem with me. Senator Withem has explained some of the sequence of events, but I'm going to point out that, from my viewpoint, I know this is going to come out as a fine line of difference. But from my viewpoint, I do not consider the effect of the legislation enacted last time as particularly a mistake. It may have had unintended consequences, but I don't consider it a mistake. The reason I say that is that, as Senator Withem indicated, and as the old language that's being stricken, there was a broad policy definition of when sales tax should apply to services. It's not been unusual in the past that when we have done that, in fact, if you look at the rules and regs for the Department of Revenue, there's pages of them.