

AMENDMENTS TO LB 1001

(Amendments to Standing Committee amendments, AM2001)

Introduced by White, 8.

1 1. Strike section 14 and insert the following new
2 section:

3 Sec. 14. Sections 1 to 8 and 14 of this act become
4 operative on October 1, 2008. The other sections of this act become
5 operative on January 1, 2009.

6 2. On page 7, strike lines 22 through 27 and insert

7 "(3)(a) Every contractor who is maintaining an office
8 or transacting business within this state and making a payment
9 or payments related to such business in excess of six hundred
10 dollars, and such payment or payments are for construction services
11 performed within this state, to any contractor or any person that
12 is not an employee shall deduct and withhold five percent of such
13 payments.

14 (b) The withholding required by this subsection shall
15 not apply to any payment made to (i) a person that provides the
16 payor with a statement that the income earned is not subject to
17 tax because of a treaty obligation of the United States or (ii)
18 a contractor when the payor contractor determines that the payee
19 contractor is in the database required by this subsection.

20 (c) The Department of Revenue shall create a database of
21 contractors who are licensed, granted a permit, or registered under
22 the Nebraska Revenue Act of 1967 or under section 77-3102. The

1 database shall be accessible on the website of the department.

2 (d) Any contractor who determines that a contractor is
3 in the database is relieved from liability for withholding under
4 either this subsection or section 77-3106 for any future payments
5 on a contract in existence at the time the determination is made.

6 (e) Withholding required by this subsection shall be
7 considered to be withholding of income tax for the purposes of the
8 Nebraska Revenue Act of 1967.

9 (f) For purposes of this subsection:

10 (i) Construction services means services that are
11 provided as a contractor; and

12 (ii) Contractor has the same meaning as in section
13 77-3101."

14 3. On page 8, strike lines 1 through 12.

15 4. On page 12, lines 22 and 23, strike the new matter
16 and insert "or to obtain a clearance from the Department of Revenue
17 prior to releasing such withholding to the subcontractor".

18 5. On page 13, strike lines 4 through 9 and insert the
19 following new subsection:

20 "(2) The withholding required by this section shall not
21 apply to any payment made to (a) a person that provides the payor
22 with a statement that the income earned is not subject to income
23 tax because of a treaty obligation of the United States, (b) a
24 contractor when the payor contractor determines that the payee
25 contractor is in the database required by subsection (3) of section
26 77-2753, or (c) a contractor when the payor contractor has withheld
27 from the payment under subsection (3) of section 77-2753."