

CLERK: Yes, sir, it is. I didn't know if you wanted to take that up now.

SENATOR HALL: I would like to take that up because, in essence, that becomes the committee amendments and becomes LB 714.

CLERK: Mr. President, Senator Hall would move to amend the committee amendments. Senator, you will find AM748 printed separately in your bill book right before the bill.

SENATOR HALL: Thank you, Mr. Clerk. Mr. President and members of the body, LB 714, as Mr. O'Donnell has stated, was brought by a number of members to the Revenue Committee and it deals with the issue of the collection of sales tax by folks who function both as contractors and as retail salespersons. It stems out of a directive that came from the Department of Revenue in December of last year that said, basically, the individuals were required to pay sales tax themselves up front for whatever the purchase was and then to not collect that tax from the ultimate consumer. In other words, the department said that they were to basically act as a contractor at all times, even though many of these people fell outside the 80/20 rule and had, for a number of years since the implementation of the sales tax, done it in a totally different manner, kept two sets of books or used the option of charging sales tax when they sold something over the counter and when they, for example, installed a piece of glass, as a hardware store might, did not charge any sales tax for that but paid that up front themselves when they purchased that product. The amendment that I offer to the committee amendments is just a rewrite and clarification of what the committee amendments originally intended to do. There is no substantive change at all. It has been approved by the department. They have reviewed it. And I have given you two handouts. One is a couple eight and a half by fourteen sheets that are examples that the department has asked us to hand out. If you have the time, you should probably take a look at those. They are fairly in depth explanations and examples of how this would apply. The other is a handout that just has my initials on it and it says the status of contractors. It gives you a breakdown of what the current law is, what the problem is. And the problem is specifically with mixed businesses, those businesses that I stated earlier function in both capacities. And many times...well, if you just would take the time to look at the committee statement and see the individuals who testified in