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FLOOR DEBATE

April 23, 2003 LB 759

would be assessed on that amount. South Dakota uses a similar system. The extension of the sales tax base to camps and RV parks has been changed to refer to RV parks alone. And the reason is the camps provision was intended to include campgrounds but arguably could have included summer camps, soccer camps, basketball camps, flute camps, whatever, and this would say we are back down to RV parks. Easier to remove camps altogether than to try to clarify and get a definition to fit those situations. Clarify that repair labor is only to be taxed only in instances where any repair parts would be taxable. There are sections in our law where certain parts are not taxed. So this means that if you did the repair on those parts, that wouldn't be taxed either. Sourcing provisions, that means where you determine the location of the sales for the purpose of applying the tax amount. Sourcing provisions would be changed for detective services. Under the revised provisions, the transaction would be taxable if the customer is in this state. Individual residents or primary place of business would determine whether and what municipality would pay...or, I am sorry, would provide the tax rate. And, lastly, the amendment would change the exemption for extensive rehabilitation to a refund. In this way, labor charges for a remodeling or rehabilitation would be taxable, but if it turns out that the rehabilitation doubles the value, then the certificate...then, sorry, the taxpayer would get a refund. New construction would still be exempt with a certificate from the Revenue Department. You get a building permit for a new piece, you go to the Revenue Department that will give you a permit. Everything you buy will be tax-free because you will have the permit to show that. That's going to be for new construction. If it's a major rehabilitation, you'll pay the taxes up front, but then you will get an exemption because you'll be able to demonstrate that it doubled the value and you'll be able to get a refund for those monies paid. Those are the suggestions of the Revenue Department. I would ask for their adoption, Then we can get back on to the basic policy questions in this portion of LB 759.

SENATOR CUDABACK: Thank you, Senator Landis. You've heard the opening on AM1429, which is an amendment to the third component of the divided committee amendments to LB 759. (Visitors introduced.) On with discussion of AM1429, Senator Brashear,