

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 8, 2003

LB 759

increase of the value of 100 percent. And it was discussed that, you know, if you think you're going to increase the value by 100 percent, then you shouldn't be paying the tax. But I would like to try to bring the issue of who is the one that determines that the value has been increased by 100 percent, and at what time is that value increased by 100 percent, and when is the documentation of that taken place? In the experience that I've had on the county board, the only time that the actual figure on whether you increase the value or not must come from the county assessor. And then that will be done after the project is completed, and when the county assessor looks at it, evaluates the square footage, takes pictures, and puts it on the...on your valuation. Then there is a process of when you can appeal that also. So the thing about going to a contractor and say, hey, you know, I'm going to improve my property, my home, and I think it's going to cost about, you know, 100 percent, it will increase the value of 100 percent, so I don't think I should be paying the sales tax on the labor portion of it. Well, in my opinion, there's only one time when you realistically can tell if you have increased it by 100 percent, and that's through the county assessor. So prior to that time, I feel that the sales tax on the labor will be charged. Because otherwise, it's going to be a total nightmare as to, you know, should they be charging the sales tax, shouldn't they, or if they charge it, can they get a refund on it? And I just think it's going to be a real bookkeeping nightmare. And the issue of the increasing it by 100 percent is a decision of one person. But it can be a thought of process by a lot of people. The individual may say, well, you know, I'm going to increase this. And the contractor says, well, it looks like it's going to be a pretty big improvement. I think it would be...maybe you'll increase it by 100 percent, so we won't charge the sales tax on the labor. Well, after the process is done and the assessor looks at it and he only increases the value by maybe 60 percent, does the individual then have to go and pay additional money to the contractor because he hadn't charged the tax on the labor portion of it? It just boggles my mind as to, you know, when we make a statement that we're going to set a figure on it, and who is the one that determines that figure? So I have a real problem with that. And I'll return the rest of my time back to the Speaker. Thank you.