

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

May 15, 2003

LB 759

think you will make with me, that wasn't an exempt project, so he would have had to collect sales tax. So he would have collected sales tax on the first \$6,000 billing and the second \$6,000 billing, and now he is at \$12,000. Sales tax is being collected. Sales tax is being remitted. But at the end of the project, when he has totaled \$65,000, that may well be an exempt project. So then there is the opportunity under the law to go back and get the refund. Good thing. No reason not to and, remember, this is all compromise and accommodation that has been made over the course of General File, Select File in trying to accommodate the interest of everyone.

SENATOR CUDABACK: One minute.

SENATOR BRASHEAR: These two exemptions were carved out with the cooperation and consultation of the contracting industry. They weren't in the bill originally. We were exempting new construction and we were taxing all other kinds of construction. But then we carved out these two exemptions as an accommodation. If you renovate more than 75 percent of the square footage, you're exempt. Now we have a procedure, or at least some guidance in the statute with regard to how we'll implement that, and then we'll have rules and regulations from the Department of Revenue. If you're going to do such a major renovation that the value is going to go up by 100 percent or more, now we're putting the primary provisions of the law in the statutes. We can have rules and regulations to implement that. So we have been gone down this road in accommodating an industry, and even after we get done, our...

SENATOR CUDABACK: Time.

SENATOR BRASHEAR: ...fiscal office tells us we're talking about a \$55 million revenue item. Thank you.

SENATOR CUDABACK: Thank you, Senator Brashear. Senator Beutler, on the Brashear amendment, AM1939, to LB 759.

SENATOR BEUTLER: Senator Cudaback, Senator Brashear, if you could respond, I just want to get a little more intent.