

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

April 6, 2004

LB 1017

hasn't received his payment...

SENATOR LANDIS: That's right. It's the ultimate consumer's responsibility, but he is a holder of the taxes and a remitter of the taxes to the state.

SENATOR LOUDEN: True. True. True. Now, are those addressed in these amendments?

SENATOR LANDIS: It's in the one that was before us. The reference to the timing of the payments on progress payments is in this amendment, AM3292, before you now.

SENATOR LOUDEN: Okay. Thank you.

SENATOR CUDABACK: Thank you, Senator Louden. Senator Raikes, on the Landis amendment to the Revenue Committee amendments.

SENATOR RAIKES: Thank you, Mr. President and members of the Legislature. I have to believe that many are confused on this. I know that I certainly was, slash, am. I will tell you though that I think Senator Landis has come up with a good piece of work here. We've gone through a number of iterations in trying to get to this and let me try to illustrate what I think is an advantage or two of it by a simple example. Suppose you have a homebuilder who maybe hires, say, we'll...two subcontractors. One is a subcontractor to the second subcontractor, and then the second subcontractor if a sub to the homebuilder who's a general contractor. One of the difficulties before was that these subcontractors had to become retailers so they were in a position where they had to carry tax-free inventories, which may sound like an advantage, but at least in terms of book work and so on it is not. What they have been used to are what we call option two contractors where, for example, if you're a subcontractor, you go to the lumberyard, you buy the materials you need, say it's two-by-fours, the lumberyard collects the sales tax, charges you the sales tax on the two-by-fours, you go out the door, you do your job, you submit the bill, you never have to deal with the Department of Revenue. Now, with the procedure he has in place now, the advantage is that is possible now. For example...and whether or not you're doing work as