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Senator Landis, Chairman of the Revenue Committee, you're recognized to open.

SENATOR LANDIS: Thank you, Senator Cudaback, members of the Legislature. There are two stories, and it depends on which of the two stories you listen to as to the origin of the problem. However, the solution to the problem and its impact is relatively clear. That part we can solve by looking at AM0643. Probably easiest to figure out the implication of this amendment by saying what it does; and to do that, you need a little bit of the time line over which the installation of telephones and cables into houses has arguably been taxable and also is a disputed issue with the construction industry. Truth of the matter is, we've solved the problem as of last year. There is no controversy. There is no lack of clarity. We have a clear, bright line rule right now, and it passed last year. It was in LB 1017. LB 1017 said this: If the project is taxable, it falls under the category of a construction...piece of construction that is taxed, then the installation of cable and telephone lines as part of that project is taxed. If it's a project that is not taxed--let's say, because it's a new house--then the installation of cable and telephone lines and the like is not taxed. So the bright line that we created in what was or was not taxed last year solved this problem on an ongoing basis. Revenue is clear, the industry is clear. We're not collecting taxes and then refunding them, or we're not having disputes that people aren't collecting taxes. And the reason is, we've got a clear rule. Before last year, however, it wasn't clear. And this goes back and solves the lack of clarity before last year. Now, the Revenue Department will say, it's not that unclear. In fact, we think it was clear; they should have paid taxes. The industry says, no, no, no, no, it really was unclear. Many of us did not pay these taxes because we thought they weren't taxed. Many of us read the statutes and didn't think we were covered. And those of us who did pay taxes want them back, because we don't think we should have paid them. And about...a number of them have a bunch of claims that are in to have this money refunded to them, when they did pay the taxes. So the bright line rule that we have last year: If a project is taxed, these services are taxed; if the project is not taxed, these services are not taxed. This bill moves that line back to the