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FLOOR DEBATE

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passage of LB 759, which was the creation of the tax on construction services. We did it about three years ago. We did it in the height of the difficulty that we had financially. And it was part of the cut services and raise taxes solution to the budget problems that we had. So, this moves the LB 1017 bright line from 2004 back to the LB 759 date in 2003, and says that option two and three contractors before that date, that we waive any claims for them to have collected these taxes as well. Here's the impact. The bill is drafted with \$6 million. This amendment is \$1.5 million. It's arguably money that we have in our pocket, or are pursuing in the form of lawsuits against construction companies; or, the construction companies are asking for refunds and that the state is resisting. So you need to know that. This is money that we have in the bank. It is not money that is in dispute, and it's money that we give back. The virtue of it is, we take our clear, bright line that we had, that we constructed last year, that all parties understand, and is patently clear, and for which, by the way, we've had no difficulty in the last year about this particular problem, and we've moved that back in time to where we made the significant change in construction law. I want to tell you how it's possible that such a thing could come about. That is, that if you were to get out the contractor regulations in the Department of Revenue's book of regulations of what's taxable or not, and you were a contractor, and you asked for the pertinent regulations, there would be no mention of this tax obligation. However, there is a section in the regulations about installation services. And if you happen to be a contractor who is doing this service, and you didn't get that section of law, you wouldn't know you had this obligation. The Department of Revenue says, it's crystal clear, there's something in our installation sections you should have read. Contractors say, wait a second, we read the regulations for contractors; it's never mentioned. Ignorance of the law is not an excuse. We just made it very difficult to find, very difficult to read. And we had something that was clumped up that said, here's your contractor regulations. Contractors read them, and it never said anything about this being taxed. And the reason is, the instructions were someplace else. This was a good faith controversy that came about. It would have been easy to have fallen into this trap. We have a clear, sensible rule right now