

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

March 22, 2006      LB 968

construction tax for commercial building practices, building purposes, which are not really so large as to be greater than half of the value of the building itself that's being changed. There is an important issue that we need to do by amendment and that's the date of this change. We put in, in the original committee statement, October 1, but there's a problem with that. If you are going to be faced with a 7 percent difference in price about building something this summer and waiting until after October 1 and getting it 7 percent cheaper, you might delay that decision. We don't want to delay the building process. We don't want to delay people from want...who want to refurbish their homes. We need to move that up. However, it does this. First, it will require the E clause and, secondly, it will require 33 votes, but the better date is July 1. July 1 will mean, when we're done here, people can get on with their business and these transactions can be done without tax as soon as possible, which is, I think, the place that the body wants to go. And, by the way, that does alter the cost of the bill by \$8 million. It means that there's \$8 million of taxes that would otherwise have been achieved. However, I've got to say I think that's a pretty soft number and the reason is, if you are a smart consumer, knowing that this was soon going to be tax free, my guess is that you'd wait. My guess is that number would shrink. However, either way, we don't want to have the building season put off, so we at a later point will move this to July 1. Its current date is October 1. The bright line provisions occur in an amendment, but the general policy statement that's in this section is that we limit the tax exemption that we're creating to residential purposes, but we retain the sales tax on commercial property up to 50 percent of the assessed value of the building. I would ask for the adoption of the amendment. There are a number of amendments which are relevant to this section. They include Senator Byars' amendment, they include Senator Brown's amendment, they include two amendments of my own, and one of which will be collapsed into another one. So we'll be on this section for a while. This is the underlying distinction between what is taxed and what's not. And what is not taxed are residential, the house itself, the duplex, the attached or detached garage, the condominium for the owner-occupier, and the commercial property of less...I'm sorry, of greater than 50 percent of its assessed