

**ONE HUNDRED EIGHTH LEGISLATURE - FIRST SESSION - 2023**  
**COMMITTEE STATEMENT**  
**LB74**

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**Hearing Date:** Wednesday February 01, 2023  
**Committee On:** Revenue  
**Introducer:** Linehan  
**One Liner:** Change sales tax provisions relating to purchasing agents

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Albrecht, Bostar, Briese, Dungan, Kauth, Linehan, Murman, von Gillern  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

**Proponents:**

Senator Lou Ann Linehan  
Stacy Watson  
Shana Dahlgren  
Dawn Caldwell

**Representing:**

Introducer  
Nebraska Chamber  
KAAPA Ethanol Holdings, LLC  
Renewable Fuels Nebraska

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

\* ADA Accomodation Written Testimony

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**Summary of purpose and/or changes:**

LB 74 would allow contractors to make exempt purchases on buyer-based exemptions.

**Section-by-Section Summary:**

Section(s) 1-3, and 5-9 - Amends the language of NRS 77-2701 through 77-2713 for the purpose of harmonizing the statutes with Section 4 of LB 74 and establishing an operative date.

Section 4, subsection 1 - Creates a new statute. Subsection 1 allows for appointment of purchasing agents to purchase materials tax free based on buyer-based exemption if:

1. the materials will be physically annexed to the structure and
  2. materials will belong to the end-user client who is eligible for a buyer-based exemption.
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It further provides that the appointment should be in writing and prior to annexing materials to the property. Finally, it provides any such purchasing agent may

1. purchase qualified materials tax free,
2. apply for a refund of any sales and use tax paid on qualified materials, or
3. may apply and use as a credit against future sales and use taxes any tax amounts paid on qualified materials.

Section 4, subsection 2 - Provides for any contractor who did not receive prior written authorization as purchasing agent to with respect to buyer-based exemptions on materials annexed to the end-users property to apply to the Tax Commissioner for a refund of any qualified buyer-based exemptions of sales and use tax.

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**Explanation of amendments:**

AM 169 is a technical amendment that clarifies LB 74. It provides for an additional section being added which defines "buyer-based exemption" for purposes of NRS 77-2701 through 77-2713.

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Lou Ann Linehan, Chairperson