



**Hundredth Legislature - Second Session - 2008**  
**Introducer's Statement of Intent**  
**LB 1175**

---

**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** February 14, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 1175 would change provisions related to income tax withholding to strengthen enforcement abilities with regards to nonresident contractors.

Currently, contractors are responsible for the taxes nonresident contractors should have paid. LB 1175 makes the amount that should be withheld (or that could be assessed if there was no withholding) equal to the amount of the bond that the nonresident contractor should have obtained. This makes the amount that could be assessed to the contractor much easier to determine. Under LB 1175, the amount that could be assessed would be determined by the contract amount and not by the actual tax liabilities of the nonresident contractor for withholding, sales, use, and income taxes.

**Principal Introducer:** \_\_\_\_\_  
**Senator Tom White**