

# **One Hundred Eighth Legislature - First Session - 2023**

## **Introducer's Statement of Intent**

### **LB74**

---

**Chairperson: Senator Lou Ann Linehan**

**Committee: Revenue**

**Date of Hearing: February 01, 2023**

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

LB 74 furthers the effectuation of the intent of the Legislature in providing sales and use tax exemption for qualified manufacturers purchasing qualified materials which will be physically annexed to real property owned by the same.

The bill levels the playing field for manufacturers who require hiring third-party contractors to complete construction projects versus those manufacturers who have the in-house resources and ability to complete the same or similar construction projects.

At it's core, LB 74 operates similar, if not identical to Neb. Rev. Stat. Section 77-2704.12, by affording manufacturers who hire third-party contractors to assign the contractor as an Authorized Purchasing Agent make the qualified purchases of materials and utilize the end-users "buyer-based exemption," thereby preserving the exemption the Legislature has previously attempted to afford the end-user.

**Principal Introducer:** \_\_\_\_\_

**Senator Lou Ann Linehan**