

Owner-Operators:**Are you a Lessor or a Common/Contract Carrier?**

- If you LEASE your truck or truck tractor (vehicle) to a common or contract carrier, or anyone else, you MUST file the enclosed Nebraska and Local Sales and Use Tax Return, Form 10, no later than **January 20, 2018**. The return must be filed regardless of whether or not there is any tax due.
- In addition, the following information may be helpful in determining if you are a lessor or common/contract carrier.

Lessor

You are considered a “lessor” when control and use of the vehicle is determined by the lessee AND the vehicle is leased 100% of the time (no other use). In this situation, the following are common:

- The lessee has the agreement with the shipper to transport the product;
- The lessee’s license plates are on the vehicle (or in some cases involving owner-operators, the lessor obtains the plate in his/her own name);
- The lessee’s federally-required USDOT or MC operating authority number is placed on the vehicle;
- The lessee’s name is on the vehicle; and
- The lessor operates under the lessee’s federal or Nebraska PSC operating authority – if required.

ALL lessors must collect sales tax from their lessees on the gross receipts on the leased vehicle, UNLESS vehicles are leased to a common or contract carrier that has given the lessor a PROPERLY-COMPLETED Nebraska Resale and Exempt Sale Certificate, Form 13, Section B, Category 4.

Purchases For Resale. As a lessor that has a Nebraska sales tax permit, you may purchase and register the vehicles to be leased without payment of sales tax. As a lessor, you are purchasing vehicles for resale. In addition, lessors can purchase repair and replacement parts for the leased vehicles for resale. To purchase repair or replacement parts for resale, you must give a properly-completed Form 13, Section A, to the Nebraska seller. Additional resale purchases are listed in the Leased Motor Vehicle information guide and in Sales and Use Tax Regulation 1-019.

Common/Contract Carrier

A vehicle that is used more than 50% of the time to transport the goods of others, or passengers, for hire is considered being used in a common/contract carrier capacity. In this situation, the following are common:

- You obtain your own loads to transport the goods of others for hire;
- Your license plates are on the vehicle;
- Your federally-required USDOT or MC operating authority number is placed on the vehicle;
- Your name is on the vehicle; and
- You hold your own federal or Nebraska PSC authority – if required.

All common/contract carriers must...

- obtain a Nebraska Common/Contract Carrier Exemption Certificate by filing a Nebraska Exemption Application for Common or Contract Carrier’s Sales and Use Tax, Form 5; and
- renew this certificate every five years. The Department will send you a renewal notice.

Tax Exempt Purchases. You may purchase vehicles, repair or replacement parts, and accessories for the vehicles exempt from sales tax. When making tax exempt purchases of repair and replacement parts, you must give a Nebraska Resale or Exempt Sale Certificate, Form 13, Section B, Category 4, to the Nebraska seller. Additional tax exempt purchases are listed in the Common or Contract Carrier information guide and in Sales and Use Tax Regulation 1-069.

Note. Personal vehicles and parts vehicles cannot be purchased tax exempt using the Nebraska Common or Contract Carrier Exemption Certificate.

revenue.nebraska.gov, 402-471-5729

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