



**Nebraska Sales and Use Tax  
for Outfitters, Guides, and  
Landowners Who Collect Land  
Access Fees  
2016**

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[Individual Use Tax](#)

[Occupation Taxes](#)

[Sales and Use Tax](#)

[Income Tax Withholding](#)

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[Audit Information](#)

[How to Start or Close Your Business](#)

[Construction Contractors](#)

[Homestead Exemption](#)

[Local Government Information](#)

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# Nebraska Sales Tax

For more information, see the [Sales and Use Tax Regulations](#) on our website.

## Sales tax is...

- ... a transactional tax,
- ... based on the transaction, rather than the item sold.

## A sale is...

- ... the transfer of title or possession of an item, or
- ... providing a service,
- ... for consideration.

For more information, see our guide [Nebraska and Local Sales Tax](#) or [Reg-0-001 - Nature of Sales Tax](#).

# A lease or rental of tangible personal property...

...is a sale,

...a lease or rental is a transfer of control or possession of the property.

Sales tax is due on each lease or rental payment.

For more information, see [Reg-1-018 - Rent or Lease of Tangible Personal Property](#).

# The Bottom Line for Sales Tax

- All sales transactions are presumed taxable.
- Sales tax must be separately stated (with 4 exceptions).

# Gross Receipts

Four exceptions to separately stating sales tax:

- Admissions
- Alcohol by-the-drink
- Concessions
- Vending machines

For more information, see [Reg-1-007](#) – Gross Receipts Defined.

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# Sales

# Taxable Sales Made by Guides or Outfitters May Include:

- Hunting/Fishing packages (private ground)
- Hunting/Fishing memberships
- Trespass fees (allowing access to private ground)

For more information, see [Reg-1-044 Admissions, General Information Letter: Admissions-Hunting](#)

- Float trips (canoes, kayaks, tanks, and tubes)

For more information, see [River Outfitters and Rentals Information Guide, REG-1-018 Rent or Lease of Tangible Personal Property](#)

- Overnight accommodations

For more information, see [Reg-1-046 Hotels, Lodgings, and Accommodations, Lodging Tax Information Guide](#)

# Taxable Services

- Animal specialty services
- Building cleaning
- Computer software training
- Detective services
- Installing/applying tangible personal property
- Motor vehicle towing, washing/waxing, painting
- Pest control services
- Recreational vehicle (RV) park services
- Security services
- Repair labor (with 5 exceptions – see slide 54)

For a more complete list of taxable and nontaxable services, see the [Nebraska and Local Sales Tax Information Guide](#) on our website.

# Prepared Food

If a food meets any of the following, it is prepared food and is taxable:

- Two or more food ingredients mixed or combined (for example, meals, sandwiches, fountain drinks);
- Food sold in heated state (for example, soups, hamburgers, coffee); or
- Food sold with eating utensils (75% rule applies) (for example, plates, bowls, napkins, forks, straws).

For more information, see [Reg-1-087.03B](#) – Prepared Foods.

# Tips and Gratuities

- Discretionary (nontaxable)
- Mandatory (taxable)

# Invoicing for Lodging

## Example 1 – Hotel Bill

The customer's bill should show:

Hotel Room Rate	\$100.00
Occupation Tax (5.5%)	<u>+ 5.50</u>
Subtotal	\$105.50
State and Local Sales Tax (7%)	+ 7.39
State and County Lodging Tax (5%)	<u>+ 5.28</u>
Total	\$118.17

A “combined rate,” adding sales tax, lodging tax, and occupation tax rates, is not allowed.

# Invoicing for Lodging

## Example 2 – Hotel Bill

Hotel Room Rate (in Omaha, NE)	\$100.00	
City Occupation Tax (5.5%)		<u>+ 5.50</u>
Subtotal (gross receipts)		\$105.50

>> Remit to the city

Gross receipts subject to Sales & Lodging Tax = \$105.50

### Sales Tax Calculation

Gross Receipts	\$105.50
Sales Tax 7%	\$ 7.39
(state 5.5% & city 1.5%)	

### Lodging Tax Calculation

Gross Receipts	\$105.50
Lodging Tax 5%	\$ 5.28
(county 4% & state 1%)	

$\$7.39 + \$5.28 = \$12.67$  >> Remit to the NE  
Dept of Revenue

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# Purchases

# All service providers...

...are the consumers of the taxable items and services used to provide the service; and  
...must pay tax on those items or services  
(even if the charge for the service is also taxable).

Example 1: The carwash does not sell soap and wax, but a “car wash.”

Example 2: A window cleaner is not selling window cleaning solution, but “clean windows.”

# Agricultural Machinery and Equipment

Purchases of ag equipment are sales and use tax exempt when all three of these criteria are met (refer to [Reg-1-094](#)):

- The item is used directly in commercial agriculture;
- The item meets the definition of ag equipment; and
- The purchaser properly completes a [Form 13](#), Section B.

# **Seeds and Plants Cannot Be Purchased Sales Tax Exempt When Used for the Following Planting Purposes**

- Residential or commercial lawns
- Private ornamental gardens
- Private golf courses
- Seed for land that is removed from production

# Sales and Use Tax

- ATV/UTV – The county treasurer will collect sales tax from purchasers of ATVs and UTVs, as defined, at the time the vehicle is titled (rather than at the point of sale).

Note – The county treasurer will collect local sales tax based on where the purchaser takes possession (not the place of titling).

# Firearms

Firearms are subject to Nebraska sales or use tax if purchased...

- Over the counter
- At gun shows
- Or rented at a shooting range

# Using federal firearm dealers to transfer firearms

- If the local dealer collects the purchase amount, both the purchase price and dealer's transfer fee are subject to tax.
- If the local dealer does not collect the purchase amount, and is just merely transferring the firearm, the dealer's transfer fees are not subject to tax.

Note: Use tax is due on the total amount paid for the firearm, if Nebraska sales tax was not collected by the seller.

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# What is Use Tax?

For more information, see [Reg-1-002](#) – Use Tax.

# What is Use Tax?

- Use tax is due when Nebraska sales tax has not been paid on a taxable item or service purchased for use in Nebraska.
- Sales and use tax are not both due on the same transaction.
- The big difference is who remits the tax -
  - Sales tax is collected and remitted by the seller.
  - Use tax is paid directly to the Department by the purchaser/consumer.

# Use Tax and Sales Tax Have These Things in Common –

- They are imposed on the same transactions.
- They have the same exemptions.
- They are calculated at the same rate.
  - Where delivery occurs; or
  - Where first usage in Nebraska takes place.

# When Use Tax is Due

- Use tax is often due when purchases are made from an out-of-state seller
  - Internet, catalog, mail order
  - Magazines and journals by subscription
- Use tax is due when the business withdraws tax-free inventory for business or personal use (including donations)
  - Auto mechanic
  - Hair salon

Note: Be sure to maintain good records!

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# Other Tax Information

# Why Would We Audit You?

- Audit of another taxpayer
- Department staff experiences
- Referrals from outside sources
  - Media
  - Tip line
  - Other government agencies
- Data mining
  - Comparisons with other companies
  - Trends, patterns, and relationships
  - Industry standards
- Follow-up audits

# Records

- Every seller is required to keep records.
  - Documents
  - List of items or services consumed in the business
  - Normal books of account
  - Receipts showing taxes paid
  - Resale and exempt sale certificates
  - Schedules
  - Working papers used in preparing tax returns

We recommend you retain records for 5 years after a return is filed.

For more information, see [Reg-1-008](#) – Records.



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**Thank you!**