



# **Local Sales and Use Tax Information**

League of Municipalities Midwinter Conference

February 25, 2014

## **Kim Conroy**

Tax Commissioner

[kim.conroy@nebraska.gov](mailto:kim.conroy@nebraska.gov)

402-471-5604

## **Garner Girthoffer**

Legislative Liaison

[garner.girthoffer@nebraska.gov](mailto:garner.girthoffer@nebraska.gov)

402-471-5885

## **Karen Barrett**

Tax Specialist - Local Sales and Use Tax

[karen.barrett@nebraska.gov](mailto:karen.barrett@nebraska.gov)

402-471-5980

# Agenda

- Department's Website - [revenue.nebraska.gov](http://revenue.nebraska.gov)
- “Local Government Information” Page
- GovDelivery Subscription Service 
- Local Sales Taxes - Starting, Stopping, or Changing
- Municipal Boundary Changes
- Occupation Taxes
- Form 13CCE, Exemption Permit Application
- Municipal Review of Sales Tax Returns (LB 209)
- Tax Incentive Programs
  - Annual Report
  - Applications
  - Timing of Refunds
  - Tax Incentive FAQs

# [revenue.nebraska.gov](http://revenue.nebraska.gov)

Official Nebraska Government Website

Home - About Us - Contact Us - Jobs - Languages - Site Map - SEARCH: >>



Property Assessment



Motor Fuels



Charitable Gaming



Nebraska Lottery



Subscribe to Information email or mobile

Online Services

Tax Incentives

Forms

FAQs

Information Guides

Legal Information

News Releases/FYI

Research

Sales Tax Rate Finder

Tax Calendar

Taxpayer Education

Useful Links

## Online Services

### For Individuals

Make a Payment

File Your Return

Where's My Refund?

### For Businesses

Make a Payment

File Your Return

Software Developers

Tax Preparers

## Currently Featured

New Spring 2014 Seminars

New Fiduciary Income Tax AMT Revenue Rulings

New Individual Income Tax AMT Revenue Rulings

Free Individual Income Tax Preparation Sites [Lincoln] [Omaha] [Other]

Revenue Ruling 22-13-1, Tax Guidance for Individuals in a Same-Sex Marriage [pdf] [html]

Tax Information for Victims of September Colorado Storms (10/8/2013)

Request a Payment Plan

Report Nebraska Tax Fraud

## Specific Tax Info

Business Income Tax

Cigarettes/Other Tobacco Products

Individual Income Tax

Individual Use Tax

Occupation Taxes

Sales and Use Tax

Income Tax Withholding

## Items of Interest

Audit Information

How to Start or Close Your Business

Construction Contractors

Homestead Exemption

Local Government Information

Major Legislative Changes

# Local Government Information



The Department has created a GovDelivery subscription category called “Local Government Information.” Follow the subscription icon to the left to learn more about this FREE subscription service as well as sign up for automatic emails when the Department updates the “Local Government Information” category.

**Local Sales Tax**

**Municipal Boundary Changes**

**Occupation Taxes**

**Research/Statistical Reports**

**Tax Incentives Programs**

**Turnback**



# Subscription Service



- Receive notification of changes to topics of interest using the FREE web-based email subscription system.
- Set up a **profile** – enter your email address, optional password, and select the topics of interest.
- You can change your **profile** at any time by adding or deleting topics, changing the frequency of email alerts, or changing your email address.
- No special software – all you need is a valid email address and an Internet browser!

**Try it out!**

# Sample GovDelivery Bulletin



Due to the enactment of LB 104 (2013), the Nebraska Department of Revenue is proposing an amendment to the proposed regulations dealing with Local Sales and Use Tax. These regulations have been set for public hearing on August 22, 2013, at 1:30 p.m. CDT.

## Title 316

- [Chapter 9, Local Sales and Use Tax - Proposed Amendment](#)

You can view the rest of the Department's proposed regulations [on our website](#).



Questions? [Contact Us](#)

---

---

# Local Sales Tax

See [Chapter 9, Local Sales and Use Tax Regulations](#), on our website.

# Local Sales Tax

- Local sales tax rates - 0.5%, 1.0%, 1.5%, 1.75%, and 2.0%
- A municipality, other than Omaha, may impose a sales tax of **1.75% or 2.0%** if the rate increase is approved by at least 70% of the municipality's governing board and by a vote of the citizens residing in the municipality.
  - 2.0% rate adopted by Alma, Sidney, and Waterloo.
- A percentage of the revenues raised in excess of 1.5% must be used for public infrastructure projects, interlocal agreements, or to reduce other taxes.

# Local Sales Tax (continued)

- A local sales and use tax can only start, stop, or change on the first day of a calendar quarter, January 1, April 1, July 1, or October 1 per [Neb. Rev. Stat. § 77-27,143](#).
- The effective date of the tax will be the first day of the next calendar quarter that is at least 120 days after the Department receives the required documents to impose, increase, or repeal a local sales tax.

To Be Operative	Certified Materials Must Be Furnished After	But No Later Than
January 1	June 3	September 3
April 1	September 3	December 2
April 1 (of a leap year)	September 3	December 3
July 1	December 2	March 3
July 1 (of a leap year)	December 3	March 3
October 1	March 3	June 3

- The Department must provide at least 60 days' notice of the change in tax to retailers before it becomes effective.

# Local Sales Tax (continued)

The Department requires the following documents to approve any sales tax change:

- a certified copy of the **ordinance** approving the sales tax change;
- a certified **map** of the municipality;
- a certified copy of the **election results** from the county election commissioner; and
- a certified **statement** from the county election commissioner that the question of imposing a local sales tax **has not failed** in the previous 23 months.

Department Contact – [karen.barrett@nebraska.gov](mailto:karen.barrett@nebraska.gov)

# Municipal Boundary Changes

- A municipality must notify the Department by certified or registered mail of any change in its boundaries. The notice must include a certified copy of the ordinance making the changes.
  - The ordinance must be accompanied by a **certified map** of the municipality clearly showing the territory added or detached.
  - Include a **list of all retailers (including the location and mailing address)** that are within the annexed or detached territory.

# Occupation Taxes

- An occupation tax is a “privilege or license tax” on an occupation or business within a city’s **boundaries**. The most common types of businesses affected are hotel operators, car rental companies, telecommunications providers, restaurants, and bars.
- A retailer selling items or services subject to sales tax must include a separately-stated occupation tax in the sales price **before** calculating state and local sales tax.
- A business **cannot** combine the occupation tax rate with the sales or lodging tax rate and charge its customers one flat rate.

# Form 13CCE



## Exemption Permit Application For Use of Credit or Debit Cards by Sales Tax Exempt Entities

FORM  
**13CCE**

Nebraska ID Number (if applicable)

NAME AND LOCATION ADDRESS			NAME AND MAILING ADDRESS		
Name			Name		
Legal Name					
Street Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code

### CREDIT OR DEBIT CARD INFORMATION

1 Name and address of bank issuing the credit or debit card.

2 Provide only the last four digits and expiration date of the card. (A separate application is required for each credit or debit card.)

Last four digits of the card: \_\_\_\_\_ Expiration date of the card: \_\_\_\_\_

### DOCUMENTATION REQUIRED

3 Attach all of the following:

- Copy of the billing statement containing purchases made by this cardholder;  
Note: Redact/blackout all but the last four digits of every credit or debit card number shown on each billing statement submitted with this application.
- Copy of the front side only of the credit or debit card; and  
Note: Redact/blackout all but the last four digits of every credit or debit card number shown on each billing statement submitted with this application.  
Do not submit a copy of the back of the credit or debit card.
- Copy of a payment made to the issuing bank.

### ADDITIONAL BILLING INFORMATION

4 Will any person other than the sales tax exempt governmental entity or sales tax exempt organization be billed by the issuer of the card for any purchases made using the credit or debit cards identified on this application?

YES

NO

If Yes, please explain \_\_\_\_\_

# Form 13



## Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption

FORM  
13

• Read instructions on reverse side/see note below

NAME AND MAILING ADDRESS OF PURCHASER			NAME AND MAILING ADDRESS OF SELLER		
Name			Name		
Street or Other Mailing Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code

### Check Type of Certificate

Single Purchase     Blanket    If blanket is checked, this certificate is valid until revoked in writing by the purchaser.

**I hereby certify that the purchase, lease, or rental by the above purchaser is exempt from the Nebraska sales tax for the following reason:**

Check One     Purchase for Resale (Complete Section A)     Exempt Purchase (Complete Section B)     Contractor (Complete Section C)

### SECTION A—Nebraska Resale Certificate

Description of Item or Service Purchased

I hereby certify that the purchase, lease, or rental of  
from the above seller is exempt from the Nebraska sales tax as a purchase for resale, rental, or lease in the normal course of our business, either in the  
form or condition in which purchased, or as an ingredient or component part of other property to be resold.

I further certify that we are engaged in business as a:     Wholesaler     Retailer     Manufacturer     Lessor  
of    Description of Product Sold, Leased, or Rented

If None, State Reason

and hold Nebraska Sales Tax Permit Number    01-

or Foreign State Sales Tax Number    State

### SECTION B—Nebraska Exempt Sale Certificate

The basis for this exemption is exemption category **1** (Insert appropriate category as described on reverse of this form.)

If exemption category 2 or 5 is claimed, enter the following information:

Description of Item(s) Purchased    Intended Use of Item(s) Purchased

If exemption categories 3 or 4 are claimed, enter the Nebraska Exemption Certificate number.    05-

If exemption category 6 is claimed, seller must enter the following information and sign this form below:

Description of Item(s) Sold	Date of Seller's Original Purchase	Was Tax Paid when Purchased by Seller?	Was Item Depreciable?
		<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

# Exemption Permit



## Exemption Permit For Use of Credit or Debit Cards

Name and Location Address			Name and Mailing Address		
Name			Name		
Street Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code

Credit or Debit Card Identification		
Issuing Bank	Type of Credit or Debit Card	Last Four Digits of the Credit or Debit Card
Effective Date of Exemption Permit	Expiration Date of the Exemption Permit (Expiration date of the credit or debit card)*	

\_\_\_\_\_ has provided the Nebraska Department of Revenue with documentation that the credit or debit card identified above is directly billed to, and paid by, the sales tax exempt governmental entity or sales tax exempt organization. To make sales and lodging tax exempt purchases using this credit or debit card, the exempt governmental entity or exempt organization must:

- Complete a Nebraska Resale or Exempt Sale Certificate, Form 13, section B;
- **Attach a copy** of this Exemption Permit to the Form 13; and
- Issue both documents to the seller at the time of purchase.

Kim Conroy  
Tax Commissioner

Date

---

---

# **Municipal Review of Sales Tax Returns (LB 209)**

# Review of Sales Tax Returns

[Neb. Rev. Stat. § 77-2711\(14\)](#) allows a municipality to designate a single employee of the municipality to inspect sales tax return and return information of taxpayers that possess a sales tax permit and remit sales taxes for locations within the boundaries of the requesting municipality.

- Designation/Revocation Certification
- Confidential Tax Information Agreement
- Memorandum of Understanding Municipal Government Request for Sales Tax Return Information and Inspection
- Municipal Government Request for Tax Return Information, Form 8796-AL

# Designation / Revocation Certification

- A municipality may designate a single employee to inspect confidential sales tax return information.
- The designation must be signed by the mayor of the municipal government.
- The same process applies for the revocation of an employee's certification.

# Confidential Tax Information Agreement

- The designated municipal employee must sign a Confidential Tax Information Agreement before submitting a request to inspect confidential sales tax returns and sales tax return information.
- The employee may NOT duplicate or copy any requested documents or records or remove any requested tax return or tax return information.

# Memorandum of Understanding

- A municipality must execute a Memorandum of Understanding prior to inspecting records.
- The MOU sets forth the conditions of a municipality's right to inspect confidential sales tax returns and return information and the Department's responsibilities in providing this information.

# Form 8796-AL

- A designated municipal employee must file [Form 8796-AL](#) before inspecting confidential sales tax return information.
- An employee may only review the returns and return information related to taxpayers that:
  - possess a sales tax permit; and
  - remit sales taxes at locations within the boundaries of the requesting municipality.

---

---

# Other Information Requests

- A municipality can also request a list of all businesses, regardless of location, that are remitting sales tax to their municipality.
- A municipality must file a [Form 8796-AL](#).

---

# **Tax Incentive Programs**

# Tax Incentive Programs

## Available Information

- [2012 Annual Report](#) of Nebraska Tax Incentives
  - [Signed Agreements](#)
  - [Project-specific Benefits](#)
- [List of Applications](#) (updated quarterly)
- Timing of Refunds
  - Delayed Direct Refunds
  - Delayed Nebraska Advantage Refunds
- [Frequently Asked Questions](#)

# Tax Incentive Direct Refunds

- The State will not deduct a refund of local sales tax under the Nebraska Advantage Act (LB 312) or Employment and Investment Growth Act (LB 775) from the local sales tax receipts of a **village or first or second class city** for at least one year after that refund is paid by the State.
- If a refund exceeds **25%** of a municipality's total sales and use tax receipts for the prior fiscal year, the refund will be deducted in 12 equal installments commencing one year after the refund is paid to the taxpayer.

---

# Tax Incentive Refunds

## Nebraska Advantage

- If a claim for a refund of sales and use taxes exceeds \$25,000, the refund will be issued on or after November 15 of the same year or the following year depending on when the refund is filed by the taxpayer.
- The Department will notify the affected municipality of the amount to be refunded by July 1 of the fiscal year before the claims will be issued to the taxpayer.



**301 Centennial Mall South  
Lincoln, NE 68509  
402-471-5729**

**[revenue.nebraska.gov](http://revenue.nebraska.gov)**