

Nebraska Sales and Use Tax

Political and Ballot Question Committee Fund-raising Events

Revised January, 2002

For more information, check our
website: revenue.nebraska.us



This information guide provides an overview of the Nebraska sales and use tax responsibilities for committees which sponsor political and ballot question fund-raising events. It is not designed to answer all questions which might arise, but is intended to enable a person to become familiar with the main sales and use tax issues affecting these types of events.

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov to get updates on your topics of interest.

Ballot question committees, candidate committees, independent committees, and political party committees as defined by the Nebraska Political Accountability and Disclosure Act and any associated candidate or member of these committees may have a sales and use tax obligation to the state of Nebraska. Sales and use tax must be paid on the purchase of items used by the committee or members of the committee.

State and Local Committees

Purchases of Property:

Taxable Purchases. Committees which purchase property for their use or to be given away are required to pay Nebraska and applicable local sales and use tax on such purchases. This includes purchases of items such as buttons and posters which are given away free of charge at fund-raising events and office supplies, equipment, stationery, envelopes, printed materials, and t-shirts. Sales tax must also be paid on the purchase of meals and catered food for events held without a charge for admission, since the committees are considered to be the ultimate consumers of the items purchased.

Non-Taxable Purchases. If property is purchased for the purpose of being resold rather than given away, it may be purchased tax free. Sales tax is collected when the item is sold. For example, if the committee purchases t-shirts which will be resold rather than given away, the original purchase should be made tax free. When the t-shirts are sold, sales tax must be collected from the purchaser. If the committee is purchasing items for resale, a properly completed Nebraska Resale or Exempt Sale Certificate, Form 13 must be given to its supplier.

Use Tax. Committees which make tax-free purchases are required to remit consumer's use tax on items originally purchased for resale if the items are used by the committees or given to volunteers. In addition, consumer's use tax is also due on purchases from vendors who do not charge Nebraska and

applicable local sales tax. Consumer's use tax is reported on Nebraska and Local Sales and Use Tax Return, Form 10.

Taxable Sales of Property. Committees making retail sales of property, such as t-shirts, buttons, or posters, are required to collect sales tax and must obtain a Nebraska sales tax permit. A sales tax permit can be obtained by submitting a Nebraska Tax Application, Form 20, to the Department accompanied by a \$10.00 permit fee. After becoming licensed, the committee will receive a preidentified Form 10. The Form 10 is also used to report and remit any sales tax collected.

Fund-raising Events:

Admissions. Committees which charge persons to attend a fund-raising event that may or not include a meal, food products, soft drinks, candy, or entertainment are not required to collect tax on the amount charged for the admission or for the food. The committees can purchase the items for resale. A properly completed Form 13 must be provided to the supplier or caterer.

The sale of alcoholic beverages for consumption at a fund-raising event is taxable. If the persons in attendance are charged directly for alcoholic beverages, the tax must be collected by the seller. Committees that are billed for alcoholic beverages must pay the tax. If the committees purchase both food and alcoholic beverages, they are required to pay tax on the total amount billed unless the charges for the food and alcoholic beverages are separately stated on the invoice.

Auctions. Items sold at auctions are subject to sales tax. Political campaign organizations that have received donated

items which are then sold at an auction must collect sales tax on the sale of the donated items.

Lotteries and Raffles. Proceeds from the conduct of a lottery or raffle **cannot** be used to influence legislation or to assist in the political campaign of an elected official. Therefore, political party committees, ballot question committees and candidate committees are prohibited from conducting a lottery or raffle for such purpose.

However, political party committees, ballot question committees and candidate committees may qualify to conduct a lottery or raffle **provided** the proceeds are used for charitable and community betterment purposes. Contact the Charitable Gaming Division toll free 877-564-1315 for further information.

Federal Candidate Committee

Purchases of Property. Federal campaign organizations are required to pay Nebraska sales tax on their purchases of items such as office supplies, equipment, stationery, buttons, posters, etc. Federal law does not provide an exemption with respect to purchases of such items by federal campaign organizations.

Federal Exemptions. Federal statutes have exempted federal candidates from complying with state sales tax laws. Therefore, federal campaign organizations are not required to collect Nebraska sales tax on items sold for fund-raising or on admissions charged to attend fund-raising events. When federal campaign organizations make retail sales of items such as t-shirts, buttons, or posters, they are not required to collect sales tax.

FOR NEBRASKA TAX ASSISTANCE

For All Tax Programs Except Motor Fuels

Contact your regional office or call **1-800-742-7474** (toll free in NE and IA)

or **1-402-471-5729**

Nebraska Department of Revenue Web site address: www.revenue.state.ne.us

A copy of the Taxpayer Bill of Rights is available by calling any of our regional offices or visiting our Web site.

SCOTTSBLUFF

Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

NORTH PLATTE

Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

GRAND ISLAND

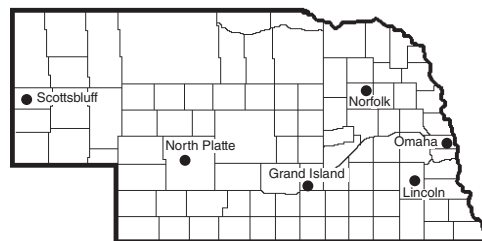
First Federal Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

NORFOLK

304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

OMAHA

Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065



Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729

For Motor Fuels tax programs only call toll free 1-800-554-3835 (Lincoln residents call 471-5729)

Hearing-impaired individuals may call the Text Telephone (TT) at 1-800-382-9309. TDD (Telecommunications Device for the Deaf) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.