

If you are engaged in motor vehicle painting...

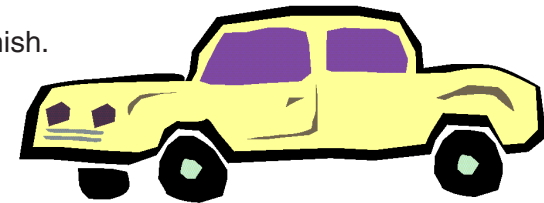
then **beginning October 1, 2002**, the gross receipts (charges) from motor vehicle painting, including your labor charges, are subject to sales tax.

Retailers of motor vehicle painting services must hold a Nebraska sales and use tax permit and collect the Nebraska and applicable local (city) sales tax on all materials and **labor charges** related to motor vehicle painting.

Motor vehicles include all motor vehicles such as buses, cars, vans, trucks, pickups, trailers, tractors and semitrailers, recreational vehicles, and motorcycles.

Motor vehicle painting includes refinishing and consists of, but is not limited to, the following procedures:

- ◆ Detergent/solvent wash;
- ◆ Masking adjacent panels;
- ◆ Mixing materials;
- ◆ Adjusting spray equipment;
- ◆ Applying sealer, color, anti-corrosion rust resistant materials, or clear coat;
- ◆ Cleaning the painting equipment;
- ◆ Blending into adjacent panel and/or panels or nearest breaking point;
- ◆ Color match or tinting;
- ◆ Finish and buff;
- ◆ Covering vehicle completely, including interior, and masking of jambs to prevent overspray damage;
- ◆ Featheredge paint damage to adjacent panel and/or panels joined by welding;
- ◆ Gravel guard refinish;
- ◆ Mask bolted parts and assemblies, glass and trim, decals and wiring and/or wiring harness;
- ◆ Special coating of luggage compartment;
- ◆ Steam cleaning of replacement panels to remove contaminants or other materials that would interfere with refinish operations; and
- ◆ Two-tone refinish.



Equipment and Supplies. Retailers who provide motor vehicle painting services must continue to pay sales or use tax on all purchases of equipment, office supplies, and consumable shop supplies.

Retailer's responsibilities. Retailers have certain administrative responsibilities for collecting and remitting sales tax. These responsibilities are summarized in our Information Guide titled "**Nebraska and Local Sales Tax**," available on our website at: revenue.nebraska.gov, or call 800-742-7474 (NE and IA), or 402-471-5729.

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