



Sales and Use Tax - Motel Room Rental by an Employer for Employee Use. RENTAL OF A MOTEL ROOM BY AN EMPLOYER, FOR EMPLOYEE USE IS NOT EXEMPT FROM SALES AND USE TAX IF THERE IS NO ORAL OR WRITTEN CONTRACT GUARANTEEING MINIMUM ROOM RENTAL FOR A PERIOD OF AT LEAST 30 DAYS.

Advice has been requested as to whether an employer may rent motel rooms for employee use without payment of sales and use tax. The employer rented motel rooms for employee use and paid for the rooms at a daily rate. There was no specific contract for room rental for a guaranteed minimum period of time.

Nebraska Sales and Use Tax Regulation 1-46(2) states that sales and use tax does not apply to rooms, lodging, or accommodations supplied the same tenant for a period of 30 continuous days or more. Lodging will be exempt from sales and use tax only if an oral or written contract guaranteeing minimum room rental per night for at least 30 days exists in advance of occupancy. Without such a contract, the accommodations will be subject to sales and use tax.

An employer is required to pay the sales and use tax on the room rent where no contract existed guaranteeing minimum room rental for at least 30 continuous days.

APPROVED:

A handwritten signature in cursive script that reads 'William E. Peters'.

William E. Peters  
State Tax Commissioner

November 5, 1976