

FOR IMMEDIATE RELEASE:
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TWO OCCUPATION TAXES IMPOSED BY SIDNEY, NE

The City of Sidney recently adopted Ordinance No. 1628, which enacted a 2% occupation tax on lodging businesses. Additionally, Sidney adopted Ordinance No. 1629, which enacted a 1% occupation tax on food services, drinking places, and restaurants. The effective date for each of the occupation taxes is November 1, 2009. The occupation tax is remitted directly to the City of Sidney. The sales and lodging taxes will continue to be remitted to the Nebraska Department of Revenue.

Businesses in Sidney have received information on how to calculate the new occupation tax and sales and lodging taxes. State law requires that sales and lodging taxes are calculated on the total charge, which will include the occupation tax.

For food service businesses, drinking places, and restaurants, the cost of food and non-alcoholic beverages **plus** the new 1% occupation tax is the total gross receipts amount subject to both the state and Sidney sales tax rate of 7%.

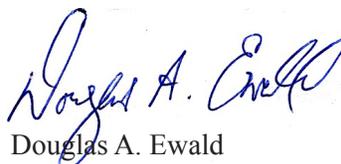
Cost of meal	\$50.00
Add Sidney Occupation Tax (1%)	+ .50
Gross Receipts	\$50.50
Multiply by sales tax rate: State: (5.5%) and Sidney (1.5%)	x .07
Sales Tax Amount	\$ 3.54

For lodging providers, the room rate **plus** Sidney's new 2% occupation tax is the total amount subject to both sales tax and lodging tax. The state and Sidney sales tax rate of 7%, and the state and Cheyenne County lodging tax rate of 5% are both imposed on this total amount.

Please visit www.revenue.ne.gov for more detailed information about Nebraska's sales and lodging taxes.

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APPROVED:



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