

BASIC PROVISIONS AND TAX BASE OF THE NEBRASKA FERTILIZER FEE

Effective January 1, 1998, a fee of one dollar per ton is imposed on all sales of commercial fertilizers (as defined in Nebraska Revised Statutes section 81-2,162.02) sold in Nebraska for use in agriculture and applied to land or crops. The fee is collected by the retailer and remitted to the Nebraska Department of Revenue. The retailer's collection fee is two and one-half percent of the first \$3,000 remitted each month and one-half of one percent of all amounts in excess of \$3,000 remitted each month.

The fee applies to those purchases of fertilizer exempt from sales tax. The consumer is responsible for payment of the fee on purchases from out-of-state vendors not required to collect the fee. The consumer remits the fee directly to the Department of Revenue on a Fertilizer Fee Return.

The fertilizer fee remitted shall be credited to the to the Natural Resources Enhancement Fund. The one dollar per ton fee will be collected through December 31, 2000. Unless changed by law, the fertilizer fee will not be collected after December 31, 2000.

FERTILIZER FEE

**Statutory Reference
and Description**

**Estimated Tax
Expenditure Cost**
NA = Not Available

EXEMPTIONS

Section 77-4401

Exempts all purchases that are subject to sales and use tax.

NA

Section 77-4401

Household and garden fertilizers in pre-packaged quantities of ten pounds or less.

NA

Section 77-4401

Sales to out-of-state purchasers.

NA

Section 77-4401

Sales to the U.S. government.

NA

Section 77-4401

Gross tonnage of fertilizer will not include water or other filler added by the retailer.

NA

Section 77-4401

Sales for resale.

NA

DEDUCTION

Section 77-4401

A collection fee is taken by retailers collecting the fertilizer fee to defer the expense of collection. The collection fee is two and one-half percent of the first \$3,000 remitted each month and one-half percent of the excess.

\$72,340

FERTILIZER FEE RECOMMENDATIONS

The Nebraska Department of Revenue has no recommendations.