

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. Total receipts for tax year 1999 were \$2,211,776. The one dollar per ton fee will be collected through December 31, 2000. **The fertilizer fee will not be collected after December 31, 2000.**

FERTILIZER FEE

Statutory Reference and Description	Actual Tax Expenditure Cost NA = Not Available
EXEMPTIONS	
Section 77-4401 Exempts all purchases that are subject to sales and use tax.	\$1,859
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.	\$95,212
Section 77-4401 Sales to the U.S. government.	\$1,572
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.	\$404,310

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.	\$47,737
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FERTILIZER FEE RECOMMENDATIONS

The Nebraska Department of Revenue has no recommendations.