

# SECTION N

## Nebraska and County Lodging Tax

### BASIC PROVISIONS AND TAX BASE

The lodging tax is a sales tax imposed upon the total gross receipts charged for the occupancy of any space furnished by any hotel (including a state-operated hotel), motel, tourist home, campground, court, inn, bed and breakfast, or lodging house in Nebraska (for less than thirty consecutive days). The lodging tax is imposed in addition to the sales and use tax. The state lodging tax is one percent. Receipts from the state lodging tax are paid to the State Visitors Promotion Cash Fund.

Each county in the state may impose a lodging tax of two percent or less. These county lodging tax receipts are paid to the County Visitors Promotion Fund after a three percent administrative fee has been deducted by the state. Each county may also impose an additional lodging tax of two percent or less. Receipts from this additional county lodging tax are paid to the County Visitors Improvement Fund after deducting a three percent administrative fee.

The county lodging tax is in addition to the one percent state lodging tax and regular sales and use tax.

<b>Statutory Reference and Description</b>	<b>Actual Tax Expenditure Cost NA = Not Available</b>
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### EXEMPTIONS

<b>Sections 81-1260, 77-2704.02, 77-2704.12(1), and 77-2704.15 through 77-2704.20</b>	<b>State</b>	<b>Counties</b>
<p>Only purchases paid directly by the exempt organization or governmental unit are exempt.</p> <p>Occupants granted an exemption from the lodging tax are the same entities which are exempt from the sales and use tax on their purchases under the Nebraska Revenue Act of 1967, as amended. These include organizations created exclusively for religious purposes; nonprofit organizations providing services exclusively to the blind; educational institutions established under the provisions of sections 79-1601 to 79-1607 of the Nebraska statutes; any private college or university established under sections 85-1101 to 85-1111 of the Nebraska statutes; any Nebraska licensed nonprofit hospital, health clinic when two or more hospitals or the parent corporations of the hospitals own or control the health clinic for the purpose of reducing the cost of health services or when the health clinic receives federal funds through the United States Public Health</p>	\$343,125	\$915,565

Service for the purpose of serving populations that are medically underserved, skilled nursing facility, intermediate care facility, intermediate care facility for the mentally retarded, or nursing facility licensed under the Health Care Facility Licensure Act and organized not for profit; any nonprofit Nebraska licensed home health agency, hospice, or hospice service, or respite care service; nonprofit organization certified by the Nebraska Department of Health and Human Services to provide community-based services for persons with developmental disabilities; any licensed child-caring agency; any licensed child placement agency; the State Fair Board; the Nebraska Investment Finance Authority; the Small Business Development Authority; and the American National Red Cross.

Only purchases paid directly by the State of Nebraska, any Nebraska county, township, city, village, rural or suburban fire protection district, natural resource district, city, county, or joint airport authority, drainage district organized under sections 31-401 to 31-450 of the Nebraska statutes, housing agency defined in section 71-1575, or elected county fair board within the borders of Nebraska are exempt from the lodging tax. Purchases by a department or portion of such governmental entity that is in the business of furnishing electricity, gas, heat, or water are taxable.

However, purchases by a Nebraska irrigation or reclamation district, including any department or portion of such governmental entity that sells electricity, gas, heat, or water are exempt.

Purchases by the federal government are exempt from lodging tax when payment is made directly by the federal government.	NA	NA
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## DEDUCTIONS

<b>Section 81-1261</b>	<b>State</b>	<b>Counties</b>
The state retains three percent of the county lodging tax receipts as an administrative fee to defray the cost of collecting and administering the tax.	\$0	\$387,090 <sup>1</sup>

<sup>1</sup> This is a tax expenditure for the applicable counties only.

## RECOMMENDATIONS

The Nebraska Department of Revenue has no recommendations.