

## Construction Contractor Taxability Check List

**Contractor:** Anyone who makes a repair or improvement to real property, or anyone who arranges for annexation to real property (this includes subcontractors).

Purchases, Leases, or Rentals by Construction Contractors	Tax Status
1 All building materials and fixtures to be annexed (attached) to real estate (including lumber, nails, screws, sheet metal, paint, carpet, pipe, pipe fittings, etc.).	Contractor Option Applies, see reverse.
2 Repair and remodeling services.	Contractor Option Applies, see reverse.
3 All consumables (including saws, saw blades, sand paper, batteries, supplies, tools, and equipment).	Taxable
4 Building cleaning services.	Taxable
5 Computer hardware: laptop and desktop.	Taxable
6 Computer software, software upgrades, and labor to modify, alter, update, or maintain software and software training provided by the software seller.	Taxable
7 Items given away (including calendars, pens, mugs, and articles of clothing).	Taxable
8 Machinery or equipment rented without an operator for use on a job site (including vehicles, portable toilets, scaffolding, backhoes, trucks, tractors, or other licensed vehicles, track hoes, bulldozers, scrapers, boom trucks, or any other heavy equipment).	Taxable
9 Magazine subscriptions, reference books and materials, forms, promotional brochures, business cards, envelopes, invoices, or note pads.	Taxable
10 Parts and labor for repair of tangible personal property (including computers, printers, copiers, machinery, or security equipment).	Taxable
11 Pest control services (including grubs, termites, or rodents).	Taxable
12 Purchase, lease, or rental of office supplies, equipment, and furniture (including desks, lamps, tables, chairs, shelving, plants, planters, artwork, copiers, printers, and fax machines).	Taxable
13 Safety equipment (including barricades and related traffic control devices).	Taxable
14 Safety equipment (including gloves, safety glasses, burn suits, ear plugs, ropes, boots, and safety vests).	Taxable
15 Security services (including security officers, monitoring, and/or surveillance equipment).	Taxable
16 Utilities: office or job site.	Taxable
17 Warranty or service agreements that cover tangible personal property (including computers, printers, copiers, etc.).	Taxable
18 Application of grounds maintenance chemicals (including fertilizer, herbicides, and ice melt).	Tax Exempt
19 Machinery or equipment rented with an operator furnished by a rental company (including backhoes, tractors, cranes, or other heavy equipment).	Tax Exempt
20 Professional services (including accounting or legal services).	Tax Exempt
21 Purchase of insurance.	Tax Exempt
22 Outdoor trash and recycling services, snow removal (driveways, parking lots, and sidewalks), lawn mowing, and tree removal services.	Tax Exempt
23 Warranty or service agreements that cover real estate.	Tax Exempt

# Construction Contractor Fact Sheet

**Notice:** Effective January 1, 2010, the Nebraska Department of Labor maintains the Contractor Registration Database. See [www.dol.nebraska.gov](http://www.dol.nebraska.gov) for more information.

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## Construction Contractor Options At-A-Glance

Contractor Option	Types of Transactions	How Tax Is Paid or Collected on Building Materials or Fixtures	Forms To Use
<p style="text-align: center;"><b>Option 1</b></p> <p style="text-align: center;"><b>Retailer of building materials and fixtures</b></p> <p>Can purchase building materials and fixtures used in Construction Contractor Projects (CCPs)** sales tax exempt.</p>	If you have retail sales*...	<ul style="list-style-type: none"> <li>Collect sales tax from customers.</li> <li>Contractor Option <b>does not apply</b></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Form 10, Nebraska and Local Sales/Use Tax Return</a></li> <li><a href="#">Form 13, Resale or Exempt Sale Certificate</a></li> <li><a href="#">Form 17, Purchasing Agent Appointment</a> (when working for customers who are sales tax exempt)</li> <li><a href="#">Form 20, Nebraska Tax Application</a></li> <li><a href="#">Nebraska Taxation of Nonprofit Organizations</a> or <a href="#">Governmental Entities Information Guide</a></li> </ul>
	If you are working as a contractor...	<ul style="list-style-type: none"> <li>Give the supplier a Form 13 to purchase building materials and fixtures tax exempt.</li> <li>Collect sales tax on separately stated building materials and fixtures.</li> <li>Do not collect sales tax on separately stated contractor labor charges.</li> <li>If charges for building materials and fixtures are <b>not</b> separately stated from contractor labor, sales tax must be collected on the total amount invoiced.</li> </ul>	
	If you have a contract that includes both retail sales and CCPs...	<ul style="list-style-type: none"> <li>Collect sales tax on retail sales and labor charges associated with them.</li> <li>Only building materials are subject to sales tax as long as they are separately stated from contractor labor.</li> <li>If charges for retail sales, building materials, fixtures, and contractor labor are <b>not</b> separately stated, sales tax must be collected on the total amount invoiced.</li> </ul>	
	If you are working for a customer who is sales tax exempt...	<ul style="list-style-type: none"> <li>Building materials and fixtures may be purchased tax exempt when a properly completed Form 13, Section C, Block 1 is given to the supplier.</li> </ul>	
<p style="text-align: center;"><b>Option 2</b></p> <p style="text-align: center;"><b>Consumer of building materials and fixtures</b></p> <p>Must pay sales or use tax at the time of purchase on inventory of building materials and fixtures used in CCPs.</p>	If you have retail sales*...	<ul style="list-style-type: none"> <li>Collect sales tax from customers.</li> <li>Contractor Option <b>does not apply</b></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Form 10, Nebraska and Local Sales/Use Tax Return</a> or <a href="#">Form 2, Nebraska and Local Business Use Tax Return</a></li> <li><a href="#">Form 13, Resale or Exempt Sale Certificate</a> (used <b>only</b> when working for customers who are sales tax exempt)</li> <li><a href="#">Form 17, Purchasing Agent Appointment</a> (when working for customers who are sales tax exempt)</li> <li><a href="#">Form 20, Nebraska Tax Application</a> (for Retail Sales <b>only</b>)</li> <li><a href="#">Nebraska Taxation of Nonprofit Organizations</a> or <a href="#">Governmental Entities Information Guide</a></li> </ul>
	If you are working as a contractor...	<ul style="list-style-type: none"> <li><b>Do not collect sales tax</b> from customers.</li> </ul>	
	If you have a contract that includes both retail sales and CCPs...	<ul style="list-style-type: none"> <li>Collect sales tax on retail sales and labor charges associated with them.</li> <li>Separately stated charges for the CCP portion of the invoice are sales tax exempt.</li> <li>If charges for CCPs are not separately stated from charges for retail sales, the entire amount is subject to tax.</li> </ul>	
	If you are working for a customer who is sales tax exempt...	<ul style="list-style-type: none"> <li>Building materials and fixtures are tax exempt when Form 17 is received prior to the start of the project.</li> <li>Must give a Form 13 and Form 17 to the supplier when purchasing building materials and fixtures for the project sales tax exempt.</li> </ul>	
<p style="text-align: center;"><b>Option 3</b></p> <p style="text-align: center;"><b>Consumer of building materials and fixtures</b></p> <p>Can purchase inventory of building materials and fixtures sales tax exempt. Must remit consumer's use tax at the time and place of withdrawal from inventory.</p>	If you have retail sales*...	<ul style="list-style-type: none"> <li>Collect sales tax from customers.</li> <li>Contractor Option <b>does not apply</b></li> </ul>	<ul style="list-style-type: none"> <li><a href="#">Form 10, Nebraska and Local Sales/Use Tax Return</a> or <a href="#">Form 2, Nebraska and Local Business Use Tax Return</a></li> <li><a href="#">Form 13, Resale or Exempt Sale Certificate</a></li> <li><a href="#">Form 17, Purchasing Agent Appointment</a> (when working for customers who are sales tax exempt)</li> <li><a href="#">Form 20, Nebraska Tax Application</a> (for tax ID number for exempt purchases and to report retail sales and use tax)</li> <li><a href="#">Nebraska Taxation of Nonprofit Organizations</a> or <a href="#">Governmental Entities Information Guide</a></li> </ul>
	If you are working as a contractor...	<ul style="list-style-type: none"> <li>Give the supplier a Form 13 to purchase building materials and fixtures tax exempt.</li> <li>Remit consumer's use tax on all building materials and fixtures at the rate in effect at the time and place of withdrawal from inventory.</li> <li><b>Do not collect sales tax</b> from customers.</li> </ul>	
	If you have a contract that includes both retail sales and CCPs...	<ul style="list-style-type: none"> <li>Collect sales tax on retail sales and labor charges associated with them.</li> <li>Separately stated charges for the CCP portion of the invoice are sales tax exempt.</li> <li>If charges for CCP are not separately stated from charges for retail sales, the entire amount is subject to tax.</li> <li>Remit consumer's use tax on all building materials and fixtures used in the CCP at the rate in effect at the time and place of withdrawal from inventory.</li> </ul>	
	If you are working for a customer who is sales tax exempt...	<ul style="list-style-type: none"> <li>Building materials and fixtures may be purchased tax exempt when a properly completed Form 13, Section C, Block 1 is given to the supplier.</li> <li>Consumer's use tax is not due on building materials and fixtures when a properly completed Form 17 has been received.</li> </ul>	

\* A retail sale is the transfer of possession of an item or taxable service for payment.

\*\* A CCP is a repair or improvement to real property.