GIL 1-14-2 Sales and Use Tax: Internet Tax Freedom Act Expiration

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov to get updates on your topics of interest.

August 22, 2014

Dear XXXX:

This correspondence is in response to your August 8, 2014 letter regarding the Internet Tax Freedom Act. Based upon the nature of your request, we are providing this General Information Letter (GIL). This GIL will be published on the Nebraska Department of Revenue’s (Department) website with all identifying taxpayer information redacted.

GILs address general questions, provide analysis of issues, and direct taxpayers to the Nebraska statutes, Department regulations, revenue rulings, or other sources of information to help answer a question. A GIL is a statement of current Department policy, and taxpayers may rely on the Department to follow the principles or procedures described in a GIL until it is rescinded or superseded. You may also find current regulations, revenue rulings, information guides, taxpayer rulings, and other GILs at revenue.nebraska.gov that may be helpful to you.

Your letter requests the issuance of an expedited, short-term administrative guide that will inform taxpayers purchasing or providing Internet access (IA), as defined in § 1105(5) of the Internet Tax Freedom Act, that should the current moratorium on state taxation of charges for IA expire, no changes will be required in the taxes collected or remitted with respect to the taxation of IA. You request that this guidance be issued no later than September 14, 2014, and that it remains in effect until the moratorium is reinstated or for at least 60 days after any subsequent, pre-reinstatement public notice of the withdrawal of this guidance.

Nebraska law imposes sales and use tax on specific enumerated services which are defined in Neb. Rev. Stat. §§ 77-2701.16 and 77-2703. Nebraska does not impose sales and use tax on charges for Internet access as currently defined in federal law. I have enclosed a copy of Nebraska’s responses to a recent survey conducted by the Streamlined Sales Tax Governing Board.

FOR THE TAX COMMISSIONER

Sincerely,

Ellen Thompson
Tax Specialist
Policy Section
ET:et