

REG-1-020, Motor Vehicles

*** The revised Motor Vehicle Registration Act adopted new definitions. This regulation is currently undergoing review for amendment (Neb. Rev. Stat. § 60-339).**

020.01 Motor vehicles as used in this regulation shall mean motor vehicles, trailers, and semitrailers as defined in Section 60-301 of the Nebraska Revised Statutes. Every motor vehicle dealer in Nebraska is required to obtain a sales tax permit for each place of business in this state even though they make no sales other than of motor vehicles. The dealer shall file a tax return reporting gross sales in the same manner as all other retailers.

020.02 The sales and use tax imposed upon the sale of motor vehicles shall be the liability of the purchaser and the tax shall be collected by the county treasurer, or other designated county official, or the Department of Motor Vehicles at the time the purchaser makes application for registration of the motor vehicle for operation upon the highways of this state. If the purchaser retains such motor vehicle in this state and does not register it for operation upon the highways of this state within thirty days of the purchase date, the tax shall be paid immediately to the county treasurer, or other designated county official. If the tax is not paid within thirty days of the purchase date, the county treasurer, or other designated county official, shall collect the tax, interest from the thirtieth day until the date of payment, and a penalty of five dollars (\$5.00).

020.03 The dealer or seller is not authorized to collect the tax on the sale of motor vehicles but shall, at the time of the sale, state on the sales invoice the dollar amount of the tax and furnish the purchaser a Nebraska Sales/Use Tax and Tire Fee Statement for Motor Vehicle and Trailer Sales, Form 6.

020.03A The tax due shall be computed on the difference between the total sales price and the total of any trade-in allowance for another motor vehicle taken by any person and any rebates used to reduce the selling price of the vehicle.

020.03B All information requested by the Nebraska Department of Revenue must be furnished and a copy of each Form 6 must be sent to the Nebraska Department of Revenue by the seller at the time the tax return is filed. Any dealer or seller who fails or refuses to furnish such information or who falsifies any Form 6 may be found guilty of a misdemeanor and shall, upon conviction, be punished by a fine of not less than twenty-five dollars (\$25.00) nor more than one hundred dollars (\$100.00) for each offense.

020.03C Any dealer or seller who willfully prepares a false or fraudulent sales or use tax return or Form 6 may be found guilty of a Class IV felony and shall, upon conviction, be fined not more than ten thousand dollars (\$10,000.00), or be imprisoned not more than five years, or both.

020.03D Any purchaser, or the agent thereof, who completes a Nebraska Sales/Use Tax and Tire Fee Statement for Motor Vehicle and Trailer Sales, Form 6, claiming an exemption for any purchase which is not exempt from sales and use tax under sections 77-2701 through 77-27,135 of the Nebraska Revised Statutes, shall be subject to a penalty of one hundred dollars (\$100.00) or ten times the tax, whichever amount is larger. Any purchaser, or the agent thereof, who fraudulently signs a Form 6 with the intention to avoid payment of the tax may, in addition to the above penalty, be found guilty of a Class IV misdemeanor.

020.03E Any seller who willfully understates the amount upon which the sales tax is due shall be subject to an administrative penalty of one thousand dollars (\$1,000.00).

020.04 County treasurers, or other designated county officials, of all counties in Nebraska and the Department of Motor Vehicles are appointed as sales and use tax collectors for all sales of motor vehicles made outside of this state to purchasers or users of motor vehicles required to be registered in this state. The county treasurer, or other

designated county official, shall collect the applicable use tax from the purchaser of a motor vehicle purchased outside of this state at the time application for registration is made. The full use tax on the purchase price shall be collected by the county treasurer, or other designated county official, or the Department of Motor Vehicles if a sales or occupation tax was not paid by the purchaser in the state of purchase. If a sales or occupation tax was lawfully paid in the state of purchase at a rate less than the tax imposed in this state, use tax must be collected on the difference as a condition for registration in this state.

020.05 The purchase of a licensed motor vehicle may be exempt for any of the following reasons:

020.05A If the owner of a motor vehicle is, or was, a nonresident of this state and establishes as a fact that he or she purchased the motor vehicle outside of this state and there registered, titled, and licensed the motor vehicle, and actually used the motor vehicle for the primary purpose for which it was acquired, then the use tax is not required for licensing or registering in this state;

020.05A(1) Licensed for operation on the highways does not include any temporary registration, licensing, or in transit procedure that allows nonresidents to operate the motor vehicle on the highways of the other state, commonwealth, territory, possession, or country for a limited time with the intent to remove the motor vehicle from the other state, commonwealth, territory, possession, or country.

020.05B The motor vehicle is purchased for the purpose of renting or leasing with the rental or lease payment set at a fair market value, and the purchaser holds a sales tax permit so as to remit tax on the lease or rental receipts;

020.05C The motor vehicle is a gift to the applicant or received through inheritance and tax was previously paid by the donor or prior owner;

020.05D The purchase of the motor vehicle is exempt under paragraphs 012.02C or 012.02D of Reg-1-012, Exemptions;

020.05E The motor vehicle is purchased by a disabled person and the maximum amount allowed by law is contributed by the Veterans Administration of the United States or the Nebraska Health and Human Services Finance and Support. If the contributed amount is less than the maximum amount, only the amount of the contribution is exempt; or

020.05F The motor vehicle is sold pursuant to an occasional sale as set out in Reg-1-022, Occasional Sales.

020.06 If the purchase of a licensed motor vehicle is exempt for any of the reasons in paragraph 020.05, the county treasurer, or other designated county official, or the Department of Motor Vehicles may, after obtaining a properly completed Form 6 accurately identifying the basis for exemption, complete the registration without collecting the tax.

020.07 Motorcycles, or other all-terrain vehicles, that are not equipped for use upon the highway at the time of sale, as required by the Department of Motor Vehicles, are not treated as motor vehicles for sales and use tax purposes. A person engaged in the business of selling these vehicles must collect the sales tax at the time of sale rather than issuing a Form 6.

020.08 A rebate received by the purchaser from a manufacturer after the sale does not reduce the sales and use tax base. The retail price remains at the amount agreed upon at the time of the sale which is the amount upon which the tax must be collected.

020.08A A rebate received from a manufacturer that is used to reduce the selling price of the vehicle reduces the sales and use tax base. A rebate is used to reduce the selling price of the car when it is

transferred to the dealer at the time of the sale and is shown on the sales invoice as a price reduction, partial payment, or a down payment.

020.09 Sales and use tax paid upon a vehicle which is subsequently destroyed is not refundable. The tax is imposed upon the sales transaction and the subsequent destruction of the vehicle has no effect on that sales transaction.

020.09A The purchase of a vehicle with the insurance proceeds from another vehicle is taxable. The insurance proceeds cannot be used as a trade-in or other reduction in the sales price.

020.10 If the purchaser receives a settlement under the Nebraska Lemon Law, or under arbitration as an alternative to the Lemon Law, the amount received from the manufacturer or dealer includes all of the sales and use tax that is refundable. No additional refunds will be paid by the Department of Revenue.

(Sections 60-301, and 77-2703(1)(j) R.S.Supp., 1998, and sections 77-2702.07, 77-2702.09, 77-2702.17, 77-2702.18, 77-2704.12, 77-2704.21, 77-2713, and 77-2708(1)(c), R.R.S. 1996. November 11, 1998.)