

REG-1-079, Delivery Charges

* Legislation has excluded separately stated U.S. postage charges from taxable gross receipts for direct mail. This regulation is currently undergoing review for amendment (Neb. Rev. Stat. §§ 77-2701.11 & 77-2701.35). See Revenue Ruling 01-14-1.

079.01 Charges for delivery, freight, postage, shipping, handling, crating, packing, or transportation of an item are taxable whenever the item is taxable and the charges are paid to the retailer of the item.

079.02 A single delivery charge for the shipment of exempt property and taxable property should be allocated using a percentage that is:

079.02A Based on the total sales price of the taxable property compared to the total sales prices of all property in the shipment; or

079.02B Based on the total weight of the taxable property compared to the total weight of all the property in the shipment.

079.02C The seller must collect tax on the percentage of the delivery charge allocated to the taxable property but does not have to collect tax on the percentage of the delivery charge allocated to the exempt property.

079.03 Charges for delivery, freight, postage, shipping, or transportation that are paid to a person other than the retailer are exempt.

(Sections 77-2701.11 and 77-2701.35, R.R.S. 2003, and section 77-2701.16, R.S.Supp., 2004. April 12, 2005.)