



Sales and Use Tax - Airport Authorities. EFFECTIVE OCTOBER 1, 2000, PURCHASES BY A NEBRASKA CITY AIRPORT AUTHORITY, COUNTY AIRPORT AUTHORITY, OR JOINT AIRPORT AUTHORITY ARE EXEMPT FROM SALES AND USE TAXES. THIS EXEMPTION APPLIES TO ALL PURCHASES EXCEPT THOSE FOR USE IN THE BUSINESS OF FURNISHING GAS, WATER, ELECTRICITY OR HEAT.

Laws 2000, LB 557, provides an exemption for purchases by a Nebraska city, county, or joint airport authority (authority) except for purchases for use in the business of furnishing gas, water, electricity, or heat. Purchases for use in furnishing gas, water, electricity, or heat are taxed. For purchases made on and after October 1, 2000, the authority must issue a Nebraska Resale or Exempt Sale Certificate, Form 13, to the vendor in order to purchase the item tax-free. As provided in Nebraska Sales and Use Tax Regulation 1-093.01, governmental units are not assigned exemption numbers. Therefore, the authority must indicate exemption #1 in Section B of the Form 13.

The exemption for Nebraska city, county, or joint airport authorities does not extend to privately-owned airports, whether or not available for public use.

An authority may appoint as its agent a prime contractor to purchase building materials that will be annexed to property owned by the authority. The appointment of the prime contractor as purchasing agent is completed by issuing to the contractor a Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17. The exempt status of the authority cannot be extended to a person or business purchasing property or services to be donated or given to the authority.

Sales or use taxes paid in error on purchases made on and after October 1, 2000, can be refunded to the authority provided the amount of the refund is \$2.00 or more. To receive the refund, the authority must file a Claim for Overpayment of Sales and Use Tax, Form 7.

Authorities are still required to collect tax on their sales of property and services which are subject to tax.

The provisions of Sales and Use Tax Regulation 1-093.06A are superseded with the passage of LB 557. Purchases by the other governmental units listed in Regulation 1-093.06 remain taxable. Regulations 1-012.02C and 1-093.04 are incomplete to the extent they do not include Nebraska city, county, or joint airport authorities as exempt governmental units.

APPROVED:

A handwritten signature in black ink, appearing to read 'MJE', with a long horizontal flourish extending to the right.

Mary Jane Egr
State Tax Commissioner

July 12, 2000