

April 22, 1999

Sales Tax - Surcharge levied on retail, end-user revenue from telecommunication services. THE NEBRASKA UNIVERSAL SERVICE FUND (NUSF) SURCHARGE ASSESSED AGAINST CERTAIN RETAIL, END-USER REVENUES IS NOT INCLUDED IN GROSS RECEIPTS SUBJECT TO SALES TAX.

Advice has been requested as to whether the Nebraska Universal Service Fund (NUSF) surcharge should be included in the gross receipts of a retailer providing telecommunication services within Nebraska.

The Nebraska Universal Service Fund is created pursuant to Neb. Rev. Stat. §86-1405 for the purpose of providing assistance necessary to make telecommunications services available to all persons in Nebraska. In order to finance this fund, the Nebraska Public Service Commission issued a findings and conclusions dated January 13, 1999, on Application No. C-1628, which created the NUSF surcharge. Modifications to the order were issued by the commission on February 2, 1999, and March 9, 1999. The NUSF surcharge is imposed on intrastate telecommunication services billed to retail end-users. It is required to be separately stated on the customer's bill. It is remitted by the vendor to the Public Service Commission and becomes a part of the Universal Service Fund.

The NUSF surcharge is similar to the Nebraska 911 surcharge and the Nebraska surcharge for hearing impaired. Like these surcharges, it is not subject to Nebraska sales tax and is not a part of the taxable gross receipts of a vendor providing telecommunication services..

APPROVED:



Mary Jane Egr  
State Tax Commissioner

April 22, 1999