



NOTICE TO Mechanical Amusement Device Distributors and Operators

October 2007

Enclosed is a Nebraska Tax Application and Return for Mechanical Amusement Device Decals, Form 54, which must be completed and submitted in order to renew your mechanical amusement device tax license and to obtain the occupation tax decals for 2008 which are required to be affixed to each mechanical amusement device in operation.

A mechanical amusement device is any machine which, upon insertion of a coin, currency, credit card, or substitute into the machine, operates or may be operated or used for a game, contest, or amusement of any description. Mechanical amusement devices do not include vending machines which dispense tangible personal property, devices located in private homes for private use, pickle card dispensing devices which are required to be registered with the Department of Revenue pursuant to section 9-345.03, or devices which are mechanically constructed in a manner that would render their operation illegal under the laws of the State of Nebraska.

The gross receipts derived from the operation of mechanical amusement devices are not subject to Nebraska sales tax, provided an occupation tax decal is properly affixed to each machine. Gross receipts derived from the operation of amusement devices which are not coin-operated are subject to Nebraska sales tax and must be reported on the appropriate sales tax return.

An operator who places a mechanical amusement device into operation without a current occupation tax decal is in violation of the Nebraska Mechanical Amusement Device Tax Act. Such device is subject to being sealed by the Department of Revenue and a penalty of \$75 may be assessed against the operator for each device in violation. The decal(s) must be properly affixed and conspicuously displayed on each device prior to the device being placed into operation. The backing on each decal must be removed to permanently affix the decal to the device. If decals are taped or placed over prior years' decals, they are NOT properly or permanently affixed.

All occupation tax decals expire at midnight on December 31 regardless of when the decals are applied for and issued. A properly completed renewal application should be returned to the Department with the applicable fees as soon as possible to ensure that you receive your 2008 license and occupation tax decals prior to December 31. A device without a 2008 decal properly affixed must be removed from operation until a new decal is obtained and affixed to the device. During the license year, additional mechanical amusement device decals may be obtained from any of the Department of Revenue Taxpayer Assistance offices listed below.

If you have any questions regarding the completion of the Form 54 or need another application, please contact the Nebraska Department of Revenue's Charitable Gaming Division at (402) 471-5937 or call toll free at (877) 564-1315. Form 54 is also available on the Department's Web site: www.revenue.ne.gov/gaming.

Mail the application and appropriate fee to the

Nebraska Department of Revenue
P.O. Box 94855
Lincoln, NE 68509-4855

SCOTTSBLUFF

Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

NORTH PLATTE

Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

NORFOLK

304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

GRAND ISLAND

TierOne Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

OMAHA

Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065

LINCOLN

Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729