

Nebraska Sales and Use Tax for Political and Ballot Question Committee Fund-raising Events

Overview

This information guide provides an overview of the Nebraska sales and use tax responsibilities for committees which sponsor political and ballot question fund-raising events. It is not designed to answer all questions which might arise, but is intended to enable a person to become familiar with the main sales and use tax issues affecting these types of events.

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.



This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the [subscription service](#) at revenue.nebraska.gov to get updates on your topics of interest.

Ballot question committees, candidate committees, independent committees, and political party committees (committees) as defined by the Nebraska Political Accountability and Disclosure Act and any associated candidate or member of these committees may have a sales and use tax obligation to the state of Nebraska. Sales or use tax must be paid on the purchase of items used by the committee or members of the committee.

State and Local Committees

Purchases of Property

Taxable Purchases. Committees which purchase property for their use or to be given away are required to pay Nebraska and applicable local sales and use tax on such purchases. This includes purchases of items such as buttons and posters which are given away free of charge at fund-raising events and office supplies, equipment, stationery, envelopes, printed materials, and t-shirts. Sales tax must also be paid on purchases of any prepared food and beverage services for events held without a charge for admission.

Non-Taxable Purchases. If property is purchased for the purpose of being resold rather than given away, it may be purchased tax free. Sales tax is collected when the item is sold. For example, if the committee purchases t-shirts which will be resold rather than given away, the original purchase should be made tax free. When the t-shirts are sold, sales tax must be collected from the purchaser. If the committee is purchasing items for resale, a properly completed [Nebraska Resale or Exempt Sale Certificate, Form 13](#) must be given to its supplier.

Taxable Sales of Property. Committees making retail sales of property, such as t-shirts, buttons, or posters, are required to collect sales tax and must obtain a Nebraska sales tax permit. A sales tax permit can be obtained by submitting a [Nebraska Tax Application, Form 20](#), to the Department. After becoming licensed, the committee will report any sales tax collected on the Nebraska and Local Sales and Use Tax Return, Form 10.

Use Tax. Committees which make tax-free purchases are required to remit use tax on items originally purchased for resale if the items are used by the committees or given to volunteers. In addition, use tax is also due on purchases from vendors who do not charge Nebraska and applicable local sales tax. Use tax is reported on the [Nebraska and Local Sales and Use Tax Return, Form 10](#).

Fund-raising Events

Admissions. Committees which charge persons to attend a fund-raising event are not required to collect tax on the amount charged for the admission. If prepared food or alcoholic beverages are served at the event, and the persons in attendance are charged directly for the prepared food or alcoholic beverages, sales tax must be collected by the committee. If prepared food or alcoholic beverages are provided by the committee for no additional charge the committee must pay tax on these items.

Auctions. Taxable property and services sold at auctions are subject to sales tax. Committees that have received donated items which are then sold at an auction must collect sales tax on the sale of the taxable donated items.

Lotteries and Raffles. Proceeds from the conduct of a lottery or raffle cannot be used to influence legislation or to assist in the political campaign of an elected official. Therefore, political party committees, ballot question committees, and candidate committees are prohibited from conducting a lottery or raffle for such purpose.

However, political party committees, ballot question committees, and candidate committees may qualify to conduct a lottery or raffle provided the proceeds are used for charitable and community betterment purposes. Contact the Charitable Gaming Division toll free 877-564-1315 for further information.

Federal Candidate Committee

Purchases of Property. Federal campaign organizations are required to pay Nebraska sales tax on their purchases of items such as office supplies, equipment, stationery, buttons, posters, etc. Federal law does not provide an exemption with respect to purchases of such items by federal campaign organizations.

Federal Exemptions. Federal statutes have exempted federal candidates from complying with state sales tax laws. Therefore, federal campaign organizations are not required to collect Nebraska sales tax on items sold for fund-raising or on admissions charged to attend fund-raising events. When federal campaign organizations make retail sales of items such as t-shirts, buttons, or posters, they are not required to collect sales tax.

revenue.nebraska.gov

800-742-7474 (NE and IA), 402-471-5729

Nebraska Department of Revenue, P.O. Box 94818, Lincoln, NE 68509-4818