

If you are engaged in providing security services ...

then **beginning October 1, 2002**, you are a retailer and the gross receipts (charges) from providing security services are subject to sales tax.

Retailers providing security services must hold a Nebraska sales and use tax permit and collect the Nebraska and applicable local (city) sales tax on charges for these services performed in Nebraska. If you need a permit, please refer to the paragraph below titled "Retailer's responsibilities."

Security services consist of consulting and training services, protecting property from theft, vandalism and destruction, or protecting individuals from harm including physical attack and harassment. Examples of taxable security services include, but are not limited to:

- ◆ Armored car services;
- ◆ Badge checking (equipment or individuals checking credentials);
- ◆ Body guards;
- ◆ Bouncers;
- ◆ Burglar or fire alarm maintenance and monitoring (maintenance includes testing and cleaning, or repairing the equipment);
- ◆ Off-duty police officers;
- ◆ Passenger security;
- ◆ Patrol services (foot or mobile);
- ◆ Personal security system programming, maintenance, and monitoring;
- ◆ Security guards (plain clothes or uniformed who also have other duties);
- ◆ Smoke detector maintenance;
- ◆ Guard dog services including rental of guard dogs;
- ◆ Protection of computer systems against unauthorized access;
- ◆ Monitoring in-home security devices and phone systems to preserve the individual's well being; and
- ◆ Monitoring and electronic surveillance of persons placed on in-home detention.



Security services performed by an employee for his or her employer in the regular course of business, within the scope of the employee's duties, and for which the employee is paid a wage or salary are **not taxable**.

Local (city) sales tax. City sales tax must be collected if the security service is provided within a municipality that has a city sales tax. Security service providers such as armored cars, body guards, or other mobile security services are required to collect city sales tax at the location where the security services are provided unless the charge for the security services cannot be assigned to specific locations. When the charge cannot be assigned to specific locations, city sales tax must be collected based on the customer's primary residential or business street address in this state.

Although charges for the sale or lease of security equipment are currently subject to tax, beginning October 1, 2002, charges for the security service itself and the installation of such equipment become taxable.

Retailer's responsibilities. Retailers have certain administrative responsibilities for collecting and remitting sales tax. These responsibilities are summarized in our Information Guide titled "**Nebraska and Local Sales Tax**," available on our website at: revenue.nebraska.gov or call 800-742-7474 (NE and IA), or 402-471-5729.

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