

GIL 1-14-2 Sales and Use Tax: Internet Tax Freedom Act Expiration

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August 22, 2014

Dear XXXX:

This correspondence is in response to your August 8, 2014 letter regarding the Internet Tax Freedom Act. Based upon the nature of your request, we are providing this General Information Letter (GIL). This GIL will be published on the Nebraska Department of Revenue's (Department) website with all identifying taxpayer information redacted.

GILs address general questions, provide analysis of issues, and direct taxpayers to the Nebraska statutes, Department regulations, revenue rulings, or other sources of information to help answer a question. A GIL is a statement of current Department policy, and taxpayers may rely on the Department to follow the principles or procedures described in a GIL until it is rescinded or superseded. You may also find current regulations, revenue rulings, information guides, taxpayer rulings, and other GILs at revenue.nebraska.gov that may be helpful to you.

Your letter requests the issuance of an expedited, short-term administrative guide that will inform taxpayers purchasing or providing Internet access (IA), as defined in § 1105(5) of the Internet Tax Freedom Act, that should the current moratorium on state taxation of charges for IA expire, no changes will be required in the taxes collected or remitted with respect to the taxation of IA. You request that this guidance be issued no later than September 14, 2014, and that it remains in effect until the moratorium is reinstated or for at least 60 days after any subsequent, pre-reinstatement public notice of the withdrawal of this guidance.

Nebraska law imposes sales and use tax on specific enumerated services which are defined in [Neb. Rev. Stat. §§ 77-2701.16](#) and [77-2703](#). Nebraska does not impose sales and use tax on charges for Internet access as currently defined in federal law. I have enclosed a copy of [Nebraska's responses to a recent survey](#) conducted by the Streamlined Sales Tax Governing Board.

FOR THE TAX COMMISSIONER

Sincerely,

Ellen Thompson
Tax Specialist
Policy Section

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