

November 22, 1999

Sales and Use Tax - Natural Resource Districts. EFFECTIVE OCTOBER 1, 1999, PURCHASES BY A NEBRASKA NATURAL RESOURCE DISTRICT ARE EXEMPT FROM SALES AND USE TAXES.

Laws 1999, LB 232, provides an exemption for purchases by a Nebraska Natural Resource District (District). For purchases made on and after October 1, 1999, the District must issue a Nebraska Resale or Exempt Sale Certificate, Form 13, to the vendor in order to purchase the items tax-free. As provided in Nebraska Sales and Use Tax Regulation 1-093.01, governmental units are not assigned exemption numbers. Therefore, the District must indicate exemption category #1 on the Form 13.

A District may appoint as its agent a prime contractor to purchase building materials that will be annexed to property owned by the District. The appointment of the prime contractor as its agent is completed by issuing to the contractor a Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17. The exempt status of a District cannot be extended to a person or business purchasing property or services to be donated or given to the District.

Sales or use taxes paid in error on purchases made on and after October 1, 1999, can be refunded to the District provided the amount of the refund is \$2.00 or more. To receive the refund, the District must file a Claim for Overpayment of Sales and Use Tax, Form 7.

The provisions of Sales and Use Tax Regulation 1-093.06E are superceded with the passage of LB 232. Purchases by the other governmental units listed in regulation 1-093.06 remain taxable.

APPROVED:



Mary Jane Egr
State Tax Commissioner

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