

FOR IMMEDIATE RELEASE:  
March 22, 2010

FOR INFORMATION CONTACT:  
Douglas A. Ewald, Tax Commissioner  
402/471-5604

## UNLAWFUL ADVERTISEMENTS REFERRING TO SALES TAX

LINCOLN—With the approach of April 15, public awareness of taxes is heightened. Retailers may attempt to capitalize on the public's sensitivity to the payment of taxes by stating that sales tax will not apply to their customers' purchases or that the retailer will pay the tax for the customers. The Nebraska Department of Revenue (Department) reminds retailers it is a misdemeanor to advertise that the customer will not be charged any sales tax or that the sales tax will be paid or absorbed by the retailer.

Retailers making sales of property subject to sales tax, such as motor vehicles, furniture, and electronics, are required, by law, to pass on to their customers the full amount of the sales tax. Motor vehicle dealers are required to state on the customer's invoice the amount of the sales tax even though, in the case of a motor vehicle purchase, the tax will be paid by the purchaser to the county treasurer. The sales tax must be billed as an item separate from the selling price.

Retailers are prohibited from advertising (or implying in any way) that the sales tax (or any part of the sales tax) will be paid by the retailer or not added to the selling price. Examples of language which should not appear in any advertisement are:

- TAX-FREE SALE;
- PAY NO SALES TAX;
- PURCHASES WILL BE DISCOUNTED BY THE AMOUNT OF THE SALES TAX;
- WE'LL PAY YOUR SALES TAX;
- TAX CREDIT SALE; AND
- TAX REBATE DAYS.

Prior to conducting an advertising campaign, retailers can contact the Department at (800) 742-7474 (toll free in NE and IA), or (402) 471-5729, to ensure the proposed language contained in an advertisement does not violate the law. More information on this topic can be found on the Department's Web site: [www.revenue.ne.gov/info/6-493](http://www.revenue.ne.gov/info/6-493).

##

APPROVED:



Douglas A. Ewald  
Tax Commissioner