

FOR IMMEDIATE RELEASE:
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Collection of Sales Tax at Craft Fairs and Similar Events

LINCOLN – The Nebraska Department of Revenue would like to remind sellers making sales at craft fairs, art shows, flea markets, trade shows, and similar events of their obligation to collect and remit sales tax on sales of taxable merchandise sold at these events.

All sellers, whether Nebraska residents or out-of-state residents, must have a Nebraska sales tax permit and must collect tax when making sales of tangible personal property, such as jewelry, yard ornaments, art work, purses, pottery, and the like.

Sales tax must be collected even though the activity is considered a hobby or recreational activity by the Internal Revenue Service. Sellers must collect the Nebraska sales tax of 5.5% and any local sales tax if the location where the event is held is within a city that imposes a local sales tax.

Sellers who only sell tax exempt items, such as fruits, vegetables, or bakery items, are not required to have a sales tax permit or to collect the tax.

Sellers are required by law to pass on to their customers the full amount of the sales tax being collected. The sales tax must be separately stated from the selling price of the item on the receipt or invoice provided to the customer.

With limited exceptions for sales of admissions or concession sales of prepared food, sellers are not permitted to advertise or imply in any way that the sales tax, or any part of the sales tax, will be assumed or absorbed by the seller or that the sales tax will not be added to the selling price. For example, statements claiming “We’ll Pay Your Sales Tax,” or “Sales Tax is Included in the Price” are prohibited.

Information on obtaining a Nebraska Sales Tax Permit is available on the Department’s website: revenue.nebraska.gov or 800-742-7474 (NE or IA) or 402-471-5729.

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APPROVED:



Kim Conroy
Tax Commissioner