

FOR IMMEDIATE RELEASE:
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CHANGE IN CITY SALES AND USE TAX RATES

LINCOLN – Tax Commissioner Doug Ewald announced today, that effective October 1, 2010, Brainard, Clay Center, Howells, and Randolph will start a new city sales and use tax at the rate of 1.0%; and David City will increase its current city sales and use tax rate from 1.0% to 1.5%.

The Nebraska Department of Revenue (Department) has updated its website to provide notification of these changes affecting the above cities. Written notification will no longer be mailed to the sales tax permitholders.

Retailers making taxable sales in a city, or the one county with a local option sales tax, must collect BOTH the state and local sales taxes. Local sales tax receipts are reported to the Department along with state sales tax receipts, and are distributed to the communities where they were collected. If sales tax is not collected on a taxable sale by the retailer at the time of purchase, the buyer is responsible for paying the appropriate use tax directly to the Department.

Local sales and use tax rates can be set at 0.5%, 1.0%, or 1.5%.

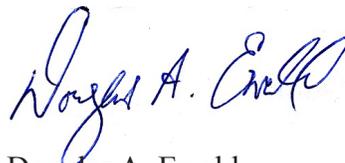
On October 1, 2010:

- Two cities and one county will have a 0.5% sales and use tax rate;
- 111 cities will have a 1.0% sales and use tax rate; and
- 75 cities will have a 1.5% sales and use tax rate.

For detailed information about sales and use tax, including rates, forms, information guides, revenue rulings, frequently asked questions, and a schedule of the Department's free educational seminars, please visit www.revenue.ne.gov.

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APPROVED:



Douglas A. Ewald
Tax Commissioner