

# Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax

## Section A – Purchasing Agent Appointment

Name and Address of Contractor			Name and Address of Exempt Governmental Unit or Exempt Organization		
Name			Name		
Street or Other Mailing Address			Street or Other Mailing Address		
City	State	Zip Code	City	State	Zip Code
Name and Location of Project			Appointment Information		
Name			Effective Date (See instructions)		
Street Address			Expiration Date		
City	State	Zip Code	Nebraska Exemption Number (Exempt Organizations Only)		

Provide the contract name, number, and a description of the project.

The undersigned governmental unit or exempt organization appoints the above-named contractor and the contractor's delegated subcontractors as its agent to purchase and pay for building materials that will be annexed to real estate by them into the tax exempt construction project identified above.

**sign  
here** ▶

Authorized Signature of Exempt Governmental Unit or Exempt Organization

Title

Date

## Section B — Delegation of Contractor's Authority A contractor can delegate its authority to its subcontractor.

Name and Address of Subcontractor			Delegation Information for the Project Identified in Section A		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned contractor hereby delegates authority to the above-named subcontractor to act as the purchasing agent of the named governmental unit or exempt nonprofit organization.

**sign  
here** ▶

Signature of Contractor or Authorized Representative

Title

Date

Name and Address of Subcontractor			Delegation Information for the Project Identified in Section A		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned contractor hereby delegates authority to the above-named subcontractor to act as the purchasing agent of the named governmental unit or exempt nonprofit organization.

**sign  
here** ▶

Signature of Subcontractor or Authorized Representative

Title

Date

Name and Address of Subcontractor			Delegation Information for the Project Identified in Section A		
Name			Effective Date		
Street or Other Mailing Address			Expiration Date		
City	State	Zip Code	Portion of Project		

The undersigned contractor hereby delegates authority to the above-named subcontractor to act as the purchasing agent of the named governmental unit or exempt nonprofit organization.

**sign  
here** ▶

Signature of Subcontractor or Authorized Representative

Title

Date

# Instructions

## Section A

**Who Can Issue.** Any governmental unit or nonprofit organization that is exempt from sales and use tax may appoint a contractor as its purchasing agent for building materials and fixtures that will be annexed to property that belongs to or will belong to the exempt governmental unit or exempt nonprofit organization pursuant to a construction contract or covered under an on-call, repair, or maintenance service agreement. Exempt governmental units and exempt nonprofit organizations are identified in [Sales and Use Tax Regulations 1-072, 1-090, 1-091, 1-092, and 1-093](#).

**Important Note:** A nonprofit organization that has not received its sales and use tax Exempt Organization Certificate of Exemption, cannot issue either a Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17, or a [Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13](#).

**Appointment Information.** To appoint a contractor as its purchasing agent, the exempt governmental unit or exempt nonprofit organization must complete Section A. The phrase “upon completion” or similar phrase is not an acceptable expiration date. If the project is not completed before the expiration date, a new purchasing agent appointment must be issued with the new effective and expiration dates. The purchasing agent authority for the contractor becomes effective on the later of the “effective date” or the signature date of the individual authorized to sign the Form 17 on behalf of the exempt governmental unit or exempt nonprofit organization.

**When To Issue.** The qualified exempt nonprofit organization or exempt governmental unit should issue the completed and signed Form 17 to the contractor BEFORE the contractor annexes any building materials. If the Form 17 is not timely issued, the Option 2 or Option 3 general contractor must pay the sales and use taxes on all building materials annexed to real estate before the effective date or signature date on the appointment.

**Important Note:** A copy of the completed Form 17 should be retained by the exempt governmental unit or exempt nonprofit organization. The original is to be retained by the contractor.

**On-Call, Repair, or Maintenance Agreements.** Exempt governmental units and exempt nonprofit organizations, in lieu of issuing a separate purchasing agent appointment to the same Option 2 or Option 3 contractor for each service call, may issue to the Option 2 or Option 3 contractor a written on-call, repair, or maintenance agreement and purchasing agent appointment that covers a calendar year or part of a calendar year. A new written agreement and purchasing agent appointment must be issued at least each calendar year.

## Section B

**Delegation of Contractor’s Authority.** The contractor or subcontractor who has previously been delegated to be a purchasing agent for a portion of the project may delegate his or her authority as the purchasing agent to other subcontractors for all or a portion of the project. Contractors who are delegating their authority as the purchasing agent are only required to complete Section B. Contractors and subcontractors must issue a separate Form 17 to each subcontractor to whom they are delegating their purchasing agent authority. The purchasing agent authority for the subcontractor becomes effective on the later of the “effective date” or the signature date of the contractor’s or subcontractor’s authorized individual.

If Section B is full and additional delegations are required, it is necessary for the contractor who is delegating his or her authority to complete a new Form 17, Section B and provide a copy of the Form 17 between the exempt governmental unit or exempt nonprofit organization and the contractor. Reproductions of this delegation must be provided to the contractor, who must retain a copy for his or her records, and to the governmental unit or exempt nonprofit organization.

**When To Issue.** The delegation must be issued to the subcontractor BEFORE the subcontractor annexes any building materials. If the Form 17, Section B, Delegation of Contractor’s Authority is not issued, the Option 2 or Option 3 subcontractor must pay the sales and use taxes on all building materials annexed to real estate before the effective date or signature date on the appointment.

## Other Contractor Information

**Purchasing Tax Exempt Building Materials and Fixtures.** Option 1 and Option 3 contractors who perform construction work for an exempt governmental unit or exempt nonprofit organization can purchase the building materials and fixtures tax exempt by issuing a properly and fully completed Form 13, Section C, Block 1, to its suppliers. It is not necessary for the Option 1 or Option 3 subcontractor to attach a copy of the Form 17 to its Form 13.

Option 2 contractors who perform construction work for an exempt governmental unit or exempt nonprofit organization can purchase the building materials and fixtures tax exempt by issuing a properly and fully completed Form 13, Section C, Block 2, and a copy of the Form 17 to its supplier. This delegation will not allow purchases of building materials and fixtures without payment of the tax by the contractor or subcontractor before the later of the effective date of the appointment or the signature date of the individual authorized to delegate them as a purchasing agent. In addition, the appointment cannot be made after the expiration date of the original appointment.

Form 13 and Form 17 must be retained with the supplier’s and contractor’s records for audit purposes. A contractor may reproduce copies of these documents which can be furnished to the suppliers for each invoice or order made by them.

Invoices from suppliers for the purchase of building materials by a contractor as purchasing agent, or an authorized subcontractor, must clearly identify that the purchase is for the specific Form 17 project.

Option 2 and Option 3 contractors who bill another contractor for work performed for an exempt governmental unit or exempt nonprofit organization are not required to collect sales tax on the amount charged for their contractor labor charges since their labor charges are not subject to tax. They do not need to obtain a Form 13 or Form 17 from the contractor.

**Credit/Refund of Sales and Use Tax.** Option 2 contractors who have been appointed as a purchasing agent before any materials are annexed, may withdraw tax-paid building materials from inventory that will be annexed to real estate or used to repair property annexed to real estate and receive a credit for the sales or use tax amount previously paid on those materials.

The Option 2 contractor or subcontractor may take a credit either against its current tax liability, or file a [Claim for Overpayment of Sales and Use Tax, Form 7](#), and receive a refund of the sales or use tax paid on those materials.

**Tools, Equipment, Supplies, and Taxable Services.** The purchase, rental, or lease of tools, supplies, equipment, or taxable services (for example, scaffolding, barricades, machinery, building cleaning services etc.) by a contractor for use to complete an exempt project CANNOT be purchased tax exempt, even if the contractor has been issued a Form 17 for the project.

**Penalty.** Any person who signs this document with the intent to evade payment of tax is liable for the sales and use tax, interest, and penalty, and may be found guilty of a misdemeanor.

**Authorized Signature.** The purchasing agent appointment, Section A, must be signed by the proper government official or by an officer of the exempt nonprofit organization or another individual authorized by an attached power of attorney. The delegation of the prime or subcontractor's authority, Section B, must be signed by an owner, partner, corporate officer, or other individual authorized to sign the Delegation of Contractor's Authority.