Nebraska Department of
REVENUE

INFORMATION GUIDE

May, 2010

UNLAWFUL ADVERTISEMENTS REFERRING TO SALES TAX

OVERVIEW

Retailers may not advertise or imply in any manner that they will pay, assume, or absorb the tax for their customers, or that sales tax will not be added to the selling price.

This information guide is intended to provide an overview. Nothing in this guide supersedes, alters, or otherwise changes any provisions of the Nebraska tax code, regulations, Department rulings, or court decisions.

This information guide may change with updated information or added examples. The Nebraska Department of Revenue (Department) recommends you do not print this guide, and instead, check ***www.revenue.ne.gov*** *periodically for changes.*

RETAILERS' SALES TAX RESPONSIBILITIES

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

PROHIBITED ADVERTISEMENTS

Retailers are prohibited under Nebraska law from advertising or implying in any way that the sales tax or any part of the sales tax will be assumed or absorbed by the retailer or that the sales tax will not be added to the selling price.

The following are examples of prohibited language that should not appear in any advertisement because they state, imply, or suggest that the retailer will absorb or assume the sales tax:

- "TAX-FREE SALE";
- "PAY NO SALES TAX";
- "PURCHASES WILL BE DISCOUNTED BY THE AMOUNT OF THE SALES TAX";
- "SALES TAX STIMULUS SALE";
- "RECEIVE A DISCOUNT EQUAL TO THE SALES TAX";
- "WE WILL PAY YOUR SALES TAX"; and
- "TAX CREDIT SALE".

Retailers may contact the Department prior to conducting an advertising campaign to ensure the proposed language contained in the advertisement does not violate statutory provisions.

RESOURCE LIST

- Nebraska Sales and Use Tax Regulation 1-039
- Neb. Rev. Stat. § 77-2703(1)(b)

6-493-2010 Rev. 5-2010

www.revenue.ne.gov
(800) 742-7474 (toll free in Nebraska and Iowa), (402) 471-5729
Nebraska Department of Revenue, P.O. Box 94818, Lincoln, Nebraska 68509-4818