

REG-1-081, Cable and Satellite Service

081.01 Gross receipts for furnishing community or county antenna television service (cable service), furnishing satellite television or radio programming (satellite service), or selling prepaid satellite service are subject to sales tax.

081.01A Furnishing cable service means delivering programming to customers using signals transmitted over or through a distribution system of wires, cables, or other conduits.

081.01B Furnishing satellite service means delivering programming to customers using signals emitted by satellites and received by receivers at the customer's location.

081.01C Selling prepaid satellite service means selling the right to obtain satellite service from a person that furnishes satellite service which is paid for in advance using an access code or authorization code to activate a satellite receiver. The seller of the prepaid satellite service does not have to furnish the satellite service for the sale to be subject to tax.

081.02 Gross receipts for furnishing prepaid satellite services does not include payments from the seller of the prepaid service to a satellite service provider.

081.03 All billings to the final consumer must indicate a separate amount for the sales tax.

081.04 Installation, service connection, and move and change charges are taxable gross receipts, whether paid to the person providing the cable or satellite service, or to another person.

081.04A When an Option 2 or Option 3 contractor is not acting as a subcontractor for a public utility, labor charges for installation performed on the customer's side of the demarcation point are not subject to tax. Reg-1-017, Contractors.

081.04B Cable service operators and retailers of satellite service are not public utilities for purposes of this section.

081.05 If any or all of the charge for the activation commission, finder's fee, installation charge, or similar payment is paid to the installer by a third-party service provider any tax due must be paid and remitted to the Department by the third-party service provider.

081.06 Cable service operators and retailers of satellite service are consumers of property used in providing, installing, constructing, operating, or servicing the system. Purchases of materials for these purposes are taxable.

081.07 Cable service operators and retailers of satellite services may purchase tapes, movies, digital goods, satellite programming, remote controls, and magazines sales tax exempt for resale to customers, but must collect sales tax on sales or rentals of these items to their customers.

(Neb. Rev. Stat. §§ 77-2701.16, 77-2701.32, and 77-2703(l). June 24, 2017.)