



Sales and Use Tax - Barricades, High Intensity Lights, and Arrow Boards Provided to Contractors. PERSONS PROVIDING BARRICADES, HIGH INTENSITY LIGHTS, AND ARROW BOARDS TO CONTRACTORS ARE LESSORS AND ARE REQUIRED TO COLLECT SALES TAX ON THE ENTIRE AMOUNT CHARGED.

Advice has been requested as to whether persons providing barricades, high intensity lights, and arrow boards to contractors are required to collect sales tax.

Contractors are required to have on the job site barricades, high intensity lights, and arrow boards to comply with governmental or private contract specifications to protect their workers and to provide traffic control.

Persons who provide barricades, high intensity lights, and arrow boards are leasing those items and are required to collect sales tax on their leases. Neb. Rev. Stat. §77-2702.12 states that the rental or lease price shall include the total amount for which property is rented or leased. This includes any services included in the lease to place, move, clean, maintain, repair and remove the barricades, high intensity lights, and arrow boards. Additionally, such leases that include services do not constitute the lease of equipment with an operator. The tax applies to all leases to contractors whether the project owner is a governmental or private entity. This ruling is a result of Todco Barricade Company v. Department of Revenue, Docket 505 Page 256 Lanc. Dist. Ct. (July 22, 1994).

While bidding these jobs, it is not necessary for the potential lessors to separately state sales tax provided they indicate that the bid price includes sales tax. However, when the billing is made, sales tax must be separately stated.

APPROVED:

  
M. Berri Balka  
State Tax Commissioner

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