

September 30, 2002

Sales and Use Tax - Elected County Fair Board. EFFECTIVE OCTOBER 1, 2002, PURCHASES BY AN ELECTED NEBRASKA COUNTY FAIR BOARD ARE EXEMPT FROM SALES AND USE TAX.

Laws 2002, LB 123, provides an exemption from sales and use tax for purchases by an elected Nebraska County Fair Board (Board). For purchases made on and after October 1, 2002, the Board must issue a Nebraska Resale or Exempt Sale Certificate, Form 13, to its vendor in order to purchase items tax free. As provided in Nebraska Sales and Use Tax Regulation 1-093.01, governmental units are not assigned exemption numbers. Therefore, the Board must indicate exemption category #1 on Form 13. Purchases by a Board for use in furnishing gas, water, electricity, or heat are not eligible for the exemption.

A Board may appoint as its agent a prime contractor to purchase building materials that will be annexed to property owned by the Board. The appointment of the prime contractor as its agent is completed by issuing to the contractor a Purchasing Agent Appointment and Delegation of Authority for Sales and Use Tax, Form 17. The exempt status of a Board cannot be extended to a person or business purchasing property or services to be donated or given to the Board.

Sales or use tax paid in error on purchases made on and after October 1, 2002, can be refunded provided the amount of the refund is \$2.00 or more. To receive a refund, the Board must file a Claim for Overpayment of Sales and Use Tax, Form 7.

Purchases by a Nebraska county fair board with an appointed membership are exempt from tax as the board operates as a division of county government.

The provisions of Sales and Use Tax Regulations 1-012.02C and 1-093.04 are incomplete to the extent they do not include a Nebraska Elected County Fair Board as an exempt governmental unit.

APPROVED:



Mary Jane Egr
State Tax Commissioner

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