



PROGRAM INSTRUCTION

SUA-00-PI-18

May 18, 2000

TO: Directors, Area Agencies on Aging

SUBJECT: Nebraska Sales and Use Tax Regulations

CONTENT:

A new ruling has been made by the Department of Revenue regarding Senior Centers that are authorized to accept food coupons for meals provided to eligible participants. The new ruling states that the sale of incidental meals to nonqualified individuals are exempt from the collection of sales tax.

Enclosed is the letter from Mary Jane Egr Tax Commissioner explaining the revised policy.

The provisions under this new ruling regarding collecting sales tax on eligible and incidental meals supersedes the Program Instruction sent August 5, 1999.

If you have any questions please contact me.

Sincerely,

Mark Intermill
Aging Services Administrator
Division of Aging & Disability Services

Enclosure

STATE OF NEBRASKA

DEPARTMENT OF REVENUE

Mary Jane Egr
Tax Commissioner



Mike Johanns
Governor

May 15, 2000

Mark Intermill
Health & Human Services
Division of Aging
P.O. Box 95044
Lincoln, NE 68509-5044

Dear Mr. Intermill:

The Nebraska Department of Revenue pursuant to our review of Sales and Use Tax Regulation 1-087.01B(1), copy enclosed, sets forth the following clarification regarding the sale of meals by senior citizen centers located throughout Nebraska.

Senior citizen centers that are authorized to accept food coupons for meals provided to "qualified persons" (those who are eligible for nutrition services under the provisions of the Older Americans Act, handicapped, or recipients of Supplemental Security Income) may also sell incidental meals to nonqualified individuals without collecting sales tax.

Senior citizen centers who sell meals and other taxable food items at a pancake feed, chili supper, bake sale, or other similar event to raise funds for the center or other purposes are required to collect and remit sales tax on such sales. Senior citizen centers are also required to collect and remit sales tax on all other sales of taxable property. A Nebraska Sales Tax Permit can be obtained by filing a Nebraska Tax Application, Form 20.

A restaurant operating under a contract with a state or local agency to prepare and serve meals to qualified persons, as defined above, may provide meals to these qualified individuals without collecting sales tax. All other meals sold by the restaurant are taxable unless the purchaser gives the restaurant a properly completed Nebraska Resale or Exempt Sale Certificate, Form 13.

If you have any questions, please contact Cliff Thomas in our Legal Department at 402-471-5676.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Jane Egr", with a long horizontal line extending to the right.

Mary Jane Egr
State Tax Commissioner

MJE:CT:mra

Enclosure