



March 3, 2025

VIA EMAIL

Mr. Craig Johnson
Executive Director
Streamlined Sales Tax Governing Board, Inc.
100 Majestic Drive, Suite 400
Westby, WI 54667
craig.johnson@sstgb.org

Re: Nebraska Statement of Noncompliance with Requirements of the Streamlined Sales and Use Tax Agreement

Dear Mr. Johnson:

On February 14, 2025, the Streamlined Sales Tax® Governing Board (SSTGB) notified the Nebraska delegates to the SSTGB that the state of Nebraska has been found not to be in compliance with the Streamlined Sales and Use Tax Agreement (SSUTA). SSTGB indicates that Nebraska is not in compliance with the following requirement(s) of the SSUTA:

Section 308 – State and Local Tax Rates – Section 308.A. of the Agreement provides in part that “No member state shall have multiple state sales and use tax rates on items of personal property or services, except that a member state may impose a single additional rate, which may be zero, on food and food ingredients and drugs as defined by state law pursuant to the Agreement. In addition, if federal law prohibits the imposition of local tax on a product that is subject to state tax, the state may impose an additional rate on such product, provided such rate achieves tax parity for similar products.”

When Nebraska adopted the Good Life Transformational Projects Act (Act), it created a special geographical taxing district, known as a Good Life District (GLD), that sets the state sales tax rate at 2.75% for all transactions within the corporate limits of a city or village that are sourced to that GLD. The state sales tax for all other transactions is set at a rate of 5.5%. This results in Nebraska having two state rates that apply in different geographical locations throughout the state, which apart from certain exceptions including local sales tax rates is not permissible under Section 308 of the SSUTA.

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It is important to note that Nebraska's GLDs are not nearly as complicated or burdensome on businesses as the thirteen deviations the SSUTA already allows for different rates on products such as: food and food ingredients; drugs; energy; fuel used to power motor vehicles, aircraft, locomotives, or watercraft; electricity; piped natural or artificial gas; other fuels; motor vehicles, aircraft, watercraft, modular homes, manufactured homes; and mobile homes. The GLD is more akin to the numerous different geographical locations rates for the local sales tax levy that are part of the rates and boundary database.

To reduce and eliminate any burdens this economic development rate would have on any businesses the State of Nebraska clearly identifies the rate in the Nebraska sales and use tax rates and boundary quarterly files available on the Nebraska Department of Revenue's (DOR) website and sent to the SSTGB. The rate is also easily accessible on the [Nebraska Sales Tax Rate Finder](#) on DOR's website. Nebraska worked diligently with SSTGB staff to ensure that the information in the rates and boundary files accurately used the Special Taxing District rate field to reflect the correct sales tax rate for the GLD in the file.

Nebraska's online taxability matrix and certificate of compliance states how this provision differs from the above requirements of the SSUTA, as required by Section 805.1 of the SSUTA.

The Nebraska Department of Revenue continues to serve as a resource to the Nebraska Legislature if Senators wish to pursue a legislative change that may put Nebraska back into substantial compliance with the SSUTA.

If you have any questions, please contact Michael Walsh at 402-471-5920 or by e-mail at mike.walsh@nebraska.gov.

Sincerely,



James R. Kamm
Tax Commissioner

cc: Senator Eliot Bostar
Senator Stan Clouse